UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended September 30, 2026

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 0-16106

CLEARFIELD, INC.

(Exact name of registrant as specified in its charter)

Minnesota	**41-1347235**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7050 Winnetka Avenue North **Suite 100** **Brooklyn Park, Minnesota**	**55428**
(Address of principal executive offices)	(Zip Code)

(763) 476-6866
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.01 par value	CLFD	The Nasdaq Stock Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.
☐Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller Reporting Company ☐
	Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

☐ Yes ☒ No

The aggregate market value of the voting and non-voting equity held by non-affiliates of the registrant as of March 31, 2026, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $299,281,414 based on the closing sale price per share of the registrant's Common Stock on the Nasdaq Global Market on such date.

As of November 6, 2026, there were 13,518,850 shares of the issuer's common stock outstanding.

Documents Incorporated by Reference:

Portions of our proxy statement for the 2027 Annual Meeting of Shareholders, to be filed within 120 days after the end of the fiscal year covered by this report, are incorporated by reference into Part III.

CLEARFIELD, INC.

ANNUAL REPORT ON FORM 10-K
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PART I

Cautionary Note Regarding Forward-Looking Statements

Clearfield, Inc. is referred to in this report as "we," "us," "our," and the "Company." We make statements from time to time regarding our business and prospects, such as projections of future performance, statements of management's plans and objectives, forecasts of market trends, and other matters that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements containing the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimates," "projects," "believes," "expects," "anticipates," "intends," "target," "goal," "outlook," "may," "will," "plans," "objective," "aims," "should," "could" or similar expressions identify forward-looking statements. Forward-looking statements may appear in documents, reports, filings with the Securities and Exchange Commission (SEC), news releases, written or oral presentations made by our authorized officers or other representatives. For such statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Our future results, including results expressed in or implied by forward-looking statements, involve a number of risks and uncertainties. Forward-looking statements are not guarantees of future actions, outcomes, results, or performance. Any forward-looking statement made by us or on our behalf speaks only as of the date on which such statement is made. We do not undertake any obligation to update or keep current any forward-looking statement to reflect events or circumstances arising after the date of such statement, except as required by law.

In addition to the factors identified or described by us from time to time in filings with the SEC, there are many important factors that could cause our future results to differ materially from historical results or trends, results anticipated or planned by us, or the results expressed in or implied by any forward-looking statements. These important factors are described below under Part I, Item 1A. "Risk Factors."

ITEM 1. BUSINESS

Company Overview

We design, manufacture, and distribute fiber connectivity, fiber protection, fiber management, power delivery, and fiber sensing solutions that enable rapid and cost-effective deployment of fiber-based networks for telecommunications, data centers, wireless communications, and critical infrastructure, primarily across North America. Our "fiber to anywhere" platform serves the diverse needs of Community Broadband customers (Tier 2 and 3 telco carriers, utilities, municipalities, and alternative carriers); Multiple System Operators (cable television providers); Large Regional Service Providers (incumbent local exchange carriers operating multistate networks with more than 500,000 subscribers); National Carriers (Tier 1 wireline and wireline/wireless communications carriers); International customers (primarily in Canada, the Caribbean, Central and South America, and Mexico); Data Center customers (hyperscale, colocation, and service provider-owned data centers); and Enterprise and Edge customers.

Our mission is to enable the lifestyle benefits that better broadband and connectivity provides through innovative product designs that accelerate fiber-based deployment, making communications networks simpler and more affordable to build, power, and operate. Broadband remains our core market. At the same time, network architectures continue to evolve and converge as computing, storage, and artificial intelligence workloads expand across data centers of all sizes, including regional and edge facilities operated by broadband service providers. These evolving networks require greater fiber density, power to remote sites, and continuous monitoring of physical infrastructure.

We believe our modular, craft-friendly design approach, built around the Clearview® Cassette and expanded through our NOVA™ platform, combined with our manufacturing operations in the U.S. and Mexico and our ability to respond quickly to customer needs, position us to serve these adjacent markets. Our focus remains on helping customers reduce costs and accelerate fiber deployment wherever connectivity is needed.

Segment Information

We conduct operations globally and currently operate as one operating segment and one reportable segment.

On November 11, 2025, the Company completed the sale of its Nestor Cables business, which was previously reported as a separate operating segment. As a result of the sale, the historical operating results of the Nestor Cables business have been classified as discontinued operations in the Company's consolidated financial statements. The assets and liabilities associated with the discontinued business were classified as held for sale in the applicable prior-period consolidated balance sheet.

Clearfield is focused on providing fiber management, fiber protection, fiber delivery, power delivery, and fiber sensing products that accelerate the deployment and turn-up of fiber-based networks serving residential homes, businesses, data centers, wireless sites, and other network infrastructure. We offer a broad portfolio of products designed to help service providers and network operators build fiber networks more efficiently, meet service delivery demands, and align networks construction costs with customer take rates.

Clearfield's products are designed to help customers accelerate Fiber to the Home ("FTTH") deployments by reducing the labor, time, and resources required to connect homes. Our products also help service providers accelerate time to revenue in Multiple Dwelling Units ("MDUs") and Multiple Tenant Units ("MTUs") by reducing the labor and materials required to deliver gigabit services. In business applications, our solutions help improve service profitability through faster building access, simplified network reconfiguration, and quicker service activation. In data centers, our modular high-density platform is designed to reduce cable preparation, routing complexity, and splicing time in space-constrained environments. Additionally, our products support wireless 4G and 5G network deployments by simplifying fiber management, improving test access and fiber protection, and enabling power delivery to remote edge sites.

Substantially all final product assembly is performed at Clearfield's manufacturing facilities in Brooklyn Park, Minnesota and Tijuana, Mexico, with support from a network of domestic and international manufacturing partners. Clearfield's manufacturing capabilities provide the flexibility to meet customer requirements through both quick-turn production and scheduled delivery arrangements.

Products

Our product strategy focuses on evaluating evolving technologies and customer requirements across broadband communications, data centers, and network infrastructure to develop innovative, high-quality products that simplify network design, installation, and operation. We are committed to making fiber deployment success easier by providing craft-friendly, pre-connectorized plug-and-play fiber assemblies, fiber management and pathway, power, and sensing products to speed deployments and provide the lowest total cost of ownership for our customer's networks. These solutions are designed to accelerate network deployments, reduce installation complexity, and lower the total cost of ownership for our customers.

Throughout the fiber deployment process, from the Inside Plant ("ISP") through the Outside Plant ("OSP"), and access network to the final fiber connection at the home, business, data center or other location, our labor-saving solutions help service providers address network design and installation challenges. Our products are designed to simplify network engineering and installation, reducing the time, labor, and technical expertise required to deploy fiber networks.

By utilizing factory-terminated single-fiber and multi-fiber plug-and-play connectors, our solutions help service providers increase deployment efficiency and accelerate the number of homes passed and connected. Factory-terminated, low-loss connectors also support consistent optical performance while reducing the need for field termination and splicing.

Our innovative slack storage spools and deployment reels reduce the need for precise field cable measurements, whether within network cabinets or at customer premises. These solutions enable the use of standardized, double-ended cable assemblies rather than relying on custom-built cable lengths or multiple field splicing operations, helping reduce installation time and complexity.

Our product development activities are conducted primarily internally, supplemented by collaboration with customers and technology partners. We believe that broadband communications, data center, and network infrastructure technologies will continue to evolve, and our success depends in part on our ability to anticipate and respond to changing customer requirements and technological advancements. Research and development expenses are included in selling, general and administrative expenses in our consolidated statements of operations.

Some of our products currently offered are described below.

FieldSmart® is a series of panels, cabinets, wall boxes and other enclosures that provide a consistent design from the inside plant of the telco's "central office" or cable television's head-end, all the way through the outside plant to the access network to within the home or business. The Clearview Cassette is the core building block of every product within the FieldSmart fiber management system. Clearview configuration options support tool-less installation, in-cassette buffer tube/ribbon slack storage as well as front access-only designs. The small footprint reduces costs and improves density without compromising critical design elements of access, bend-radius protection, physical fiber protection and route path diversity. All types of fiber cable construction can be integrated within the cassette to support all patch only, patch and splice (in-cassette splicing), passive optical component hardware and plug-and-play scenarios.

WaveSmart® optical components are integrated for signal coupling, splitting, termination, multiplexing, demultiplexing and attenuation for a seamless integration within our fiber management platform. The products are built and tested for harsh environments to meet industry standards, ensuring customers performance in extreme outside plant conditions.

Active Cabinets using our FiberFlex™ product lines feature either fully integrated, fully engineered cabinets equipped with specific active electronics configurations or universal cabinets ready for mounting other electronic equipment. This product line features Clearfield's fiber management solutions housing the Clearview Cassette. The FieldSmart FiberFlex product line of outdoor active cabinets features multiple sizes for universal configurations of electronic equipment.

CraftSmart® FiberFirst™ pedestals are designed to support fiber-only networks. Purpose-built to support a wide variety of service network designs, the pedestal eliminates the need for multiple, specialty pedestals and can support a passive optical network (PON) option, a splice-only option, or an access terminal option. The FiberFirst Pedestal Access Terminal options provide a cable management and mounting bracket kit that supports the deployment of all Clearfield access terminals.

Access Terminals from Clearfield are designed to ensure every service provider has the freedom of choice to match drop cable configuration and technology with the needs of their environment and first-cost priorities. The YOURx® access terminals also offer flexibility with cable mid-span and internal splicing options. The TetherSmart Multi-Fiber Terminal is Clearfield's smallest carrier-grade, plug-and-play access terminal. Its small size makes it an attractive choice to deliver fiber to cell towers and inside cellular concealment poles. Clearfield access terminals can be deployed in a variety of locations including pedestals, vault, flowerpot, pole-mount, smart-pole, or strand mounted options.

FieldShield® platform is a suite of patented fiber pathway and protection products aimed at reducing the cost of broadband deployment. Our FieldShield fiber drop cable assemblies are designed to connect the fiber access point (hand hole, pedestal or aerial) to the optical network terminal (ONT), on the home, in a fiber to the home (FTTH) network. FieldShield starts with a ruggedized microduct designed to support all aerial, direct bury, and inside plant "last mile" needs. FieldShield microduct is strong enough to be placed using traditional methods of boring and plowing, leveraging existing conduit placement equipment, as well as newer, less disruptive technologies such as micro trenching or saw cutting.

Fiber Assemblies - Clearfield manufactures high-quality fiber assemblies in industry-standard and customer-specified configurations. Our engineering team collaborates with original equipment manufacturer ("OEM") customers to design and manufacture customized fiber assemblies for both internal equipment connectivity and external network applications tailored to their specific product requirements.

NOVA is a platform of modular, high-density fiber products designed for hyperscale, colocation, service provider, enterprise, and edge data centers. Building on Clearfield's cassette-based modular design, NOVA includes high-density patch panels and cassettes with tool-less installation capabilities, wall-mount panels, trunk and jumper assemblies, and rack and cabinet solutions. The platform is designed to accelerate fiber deployment by reducing cable preparation and splicing requirements, simplifying installation in space-constrained data center environments, and maintaining the low-loss optical performance required for high-density, next-generation networks, including those supporting artificial intelligence applications.

Sensing Cables - The distributed fiber optic sensing (DFOS) portfolio of temperature, acoustic, and strain sensing cable solutions helps operators continuously monitor the condition and security of outside plant fiber routes, central offices, data centers, cell sites, and other critical infrastructure – providing investment protection. Connected to an interrogator, the passive cables detect digging, intrusion, climbing, hot spots, and ground or pole movement, require no power along the route, and can be installed by existing telecom crews.

Fault Managed Power portfolio combines a rack-mounted transmitter with indoor and outdoor receiver options, designed to help operators deliver both fiber and power to remote radios, edge sites, and distributed network equipment. The system delivers supervised Class 4 power that automatically disconnects when a fault is detected, supports up to 6 kW over distances of up to 6,000 feet, and reduces the permitting, trenching, and licensed electrical work typically required to power remote sites.

ClearPass™ Connector Cleaning Dust Cap is designed to simplify fiber connector cleaning and improve installation efficiency through its integrated cleaning functionality. With a demonstrated cleaning effectiveness of 94.5%, the ClearPass Dust Cap helps reduce installation time and potential connection errors while supporting reliable fiber network performance.

Markets and Customers

The Company's products are sold primarily to broadband service providers and, increasingly, to data center operators and other network infrastructure owners. Our customers are categorized as National Carrier (Tier 1 wireline and wireless telecommunications carriers); Community Broadband (Tier 2 and 3 telecommunications carriers, utilities, municipalities, and alternative carriers); Large Regional Service Providers (incumbent local exchange carriers operating multistate networks with more than 500,000 subscribers); Multiple System Operators (cable television providers); International customers (primarily in Canada, the Caribbean, Central and South America, and Mexico); Data Center customers (hyperscale and colocation operators, and service providers operating their own data centers); and Enterprise and Edge customers. Many of our Community Broadband and regional customers are also building regional and edge data centers, providing opportunities to leverage our established customer relationships in markets adjacent to our core broadband business.

The Company sells its products directly to customers through its internal sales force and indirectly through authorized distributors. In addition, the Company utilizes independent manufacturers' representatives and sales agents to support specific customer and geographic market requirements.

The Company considers the primary markets for its products to be as follows:

Commercial Fiber Broadband Connectivity

FTTP
Fiber to the Premise (also called Fiber to the Home) is a means of delivering the highest possible level of bandwidth directly to the user. The Company's sales and marketing efforts have principally been focused on the U.S., with additional efforts in Canada and Central and Latin America.

FTTB
Fiber to the Business is principally for Multiple System Operators (cable television) and wireline/wireless national telco carriers (Tier 1) to penetrate the business marketplace.

Broadband Service Provider Data Center Infrastructure

DC Interconnect/Campus Network
Fiber entry pathways supporting carrier access, campus links, and data center interconnection.

Meet-Me Room
Cross-connect environment where carriers, ISPs and cloud providers interconnect securely.

Main Distribution Area
Core switching and routing layer distributing connectivity between MMR and data halls.

White Space
Primary data hall for customer racks, servers and storage infrastructure.

Wireless Deployments

Metro Core
Aggregates traffic to and from national/international networks.

Backhaul
Connects Core to RAN; high-capacity data transport.

Indoor/Outdoor DAS
Connects centralized baseband units (BBUs) to remote radio heads (RRHs).

Small Cells
Links centralized or virtualized RAN hubs to small cell radios on poles and rooftops.

FTT-Cell site
Fiber to the cell site refers to the deployment of fiber optic connectivity to wireless cell sites to support increasing bandwidth demands, improve network capacity, and enhance wireless coverage. Fiber connectivity supports high-speed backhaul and, where applicable, fronthaul connections necessary for modern wireless networks, including 4G and 5G deployments.

Edge Power
Fiber-aligned power delivery solutions for remote radios, edge computing sites, and distributed network equipment in locations where utility power is costly, difficult or slow to obtain.

Competition

The markets for fiber management, fiber protection, fiber connectivity, data center connectivity, power delivery, and fiber sensing products are highly competitive. Competition is based on a variety of factors, including product functionality and features, pricing, quality, availability and lead times, ease and cost of installation, customer service and support, long-term value to customers, scalability, product innovation, and manufacturing capabilities. In the data center and power delivery markets, additional competitive factors include product qualification history and compliance with customer specifications, industry standards, and applicable electrical codes. Because some of our customers compete with other high-speed internet technologies, such as low Earth orbit satellites, we also face indirect competitive pressures from other broadband technologies that do not use fiber products that we offer.

Competitors to our FieldSmart product lines include, but are not limited to, Corning Cabling Systems, Inc., OFS (Furukawa Electric North America, Inc.), AFL Telecommunications (a subsidiary of Fujikura Ltd.), Nokia, Hexatronics Group, Amphenol, and CommScope, Inc. Competitors to our CraftSmart and FiberFlex active cabinet product lines include Emerson Network Power (a subsidiary of Vertiv Co.), and Charles Industries, Ltd. (a subsidiary of Amphenol). Competitors to FieldShield product lines include products offered by PPC Broadband (a subsidiary of Belden, Inc.), and Emtelle UK Limited. Competitors to our NOVA platform include Corning, CommScope, Panduit Corp., Legrand, and AFL, among others. Our Fault Managed Power products compete with other providers of Class 4 fault-managed power systems, while our fiber sensing cables compete with products offered by established fiber optic cable manufacturers. We also compete with smaller companies in certain geographic and vertical markets.

We believe Clearfield has a competitive advantage among customers who value the installation efficiencies and potential cost savings provided by our Clearview Cassette and NOVA modular designs, as well as our ability to deliver high-performance, customized products with short lead times. Conversely, we believe we are at a competitive disadvantage when competing primarily on price for high-volume commodity products.

Many of our competitors have greater financial, technical, engineering, sales, marketing, and product development resources than we do. As a result, these competitors may benefit from lower procurement costs and greater economies of scale, allowing them to offer competing products at lower prices or engage in aggressive pricing strategies that could adversely affect our ability to compete effectively.

Sources of Materials and Supply Chain

Our manufacturing operations rely on a variety of purchased materials, components, and labor resources, most of which are available from multiple suppliers. However, certain components and third-party contract manufacturing services are sourced from a single supplier or a limited number of suppliers. The loss or disruption of these sources could adversely affect our ability to manufacture and deliver products on a timely basis and negatively impact our financial performance.

Clearfield's manufacturing facility in Tijuana, Mexico, operates under a Maquiladora arrangement. Under this arrangement, we contract with a third-party service provider for certain personnel and other services supporting the final assembly and production of a significant portion of our products. The arrangement also allows us to temporarily import certain materials and components into Mexico without paying import duties, subject to applicable requirements, including the timely export of finished products.

Our supply chain management team oversees the sourcing and procurement of materials and components, production planning, and the logistics associated with delivering finished products to customers from our manufacturing facilities in Brooklyn Park, Minnesota, and Tijuana, Mexico. The team includes personnel responsible for planning, sourcing, and logistics and works closely with our product development and manufacturing operations. In addition, the team manages the transportation of materials, components, and finished products into and out of Mexico to support timely production, customer deliveries, and compliance with applicable import and export requirements.

Over the past several years, we have implemented initiatives to improve supply chain efficiency, strengthen operational resiliency, and reduce the risk of disruptions.

Major Customers and Financial Information about Geographic Areas

For the fiscal year ended September 30, 2026, two customers, Customer A and Customer B, accounted for approximately 13% and 12% of the Company’s net sales, respectively. Both customers are distributors. For the fiscal years ended September 30, 2025, and 2024, Customer A accounted for approximately 18% and 20% of net sales, respectively, while Customer B accounted for approximately 13% and 15%, respectively. These customers, like our other customers, purchase products through individual purchase orders and we have no agreements obligating them to make future purchases.

As of September 30, 2026, one customer, Customer C, accounted for approximately 15% of the Company’s accounts receivable. As of September 30, 2025, two customers, Customer B and Customer A, accounted for approximately 17% and 11% of accounts receivable, respectively.

The Company attributes net sales to geographic regions based on the destination to which products are shipped. Sales outside the United States are primarily to customers in Canada, countries in the Caribbean, Central and South America, and Mexico.

Patents and Trademarks

As of September 30, 2026, Clearfield held 70 issued patents and had multiple patent applications pending in the United States and internationally. These patents have expiration dates beginning in 2028. The Company also owns and utilizes various trademarks and logos to identify, market, and promote its products.

Seasonality

Our business is subject to seasonal trends in the markets we serve. Historically, we have experienced lower sales during our first and second fiscal quarters, primarily due to customer budgeting cycles, outdoor network deployment schedules, geographic concentrations of certain customers, and the timing of holidays and vacations. Sales have generally been higher during our third and fourth fiscal quarters, reflecting increased network deployment activity.

Human Capital Resources

As of September 30, 2026, Clearfield employed approximately 260 full-time employees, all of whom were based in the United States. We also utilize seasonal and part-time employees, as well as independent contractors. None of our employees are covered by collective bargaining agreements.

As of September 30, 2026, our workforce consisted of approximately 175 office personnel and 85 manufacturing personnel, with the substantial majority based at our headquarters in Brooklyn Park, Minnesota. Office personnel include employees in sales, marketing, engineering, and administrative functions, while manufacturing personnel include employees directly involved in production, warehousing, and operations supervision. Certain positions require specialized industry knowledge and technical expertise. Our manufacturing operations at the Brooklyn Park facility currently operate on a single shift, with staffing adjusted as needed to meet production requirements.

We devote significant management attention and resources to attracting, engaging, developing, and retaining employees, particularly in positions requiring specialized technical knowledge and expertise. We provide training programs for manufacturing and other technical personnel to develop job-specific skills and support professional growth and career development. We believe these programs, together with our collaborative work environment, have contributed to our ability to attract and retain qualified personnel.

As of September 30, 2026, approximately 340 personnel provided through our Maquiladora arrangement supported manufacturing operations at our facility in Tijuana, Mexico. These personnel are employed by a third-party service provider and are covered by a local collective bargaining agreement with that provider.

In our manufacturing operations, we monitor key performance metrics related to product quality, productivity, and on-time delivery. One measure of quality is First Pass Yield ("FPY"), which represents the percentage of products that meet all applicable performance criteria upon initial completion of the manufacturing process without requiring rework. Our FPY targets range from 92% to 99%, depending on the manufacturing process and product line. We also measure On-Time Delivery ("OTD"), which represents the percentage of customer orders shipped in time to meet agreed-upon delivery dates, taking into account standard shipping times. Our OTD target is at least 95%. This metric supports our strategy of providing customers with competitive product lead times and reliable delivery performance.

Corporate Information

Clearfield, Inc. was incorporated under the laws of Minnesota in 1979. Our corporate headquarters are located at 7050 Winnetka Avenue North, Suite 100, Brooklyn Park, Minnesota, 55428, and our corporate website is www.seeclearfield.com. We do not incorporate the information on or accessible through our website into this annual report on Form 10-K, and you should not consider any information on, or that can be accessed through, our website as part of this annual report on Form 10-K.

Our annual report on Form 10-K, our quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge in the investor relations section of our website at https://ir.seeclearfield.com as soon as reasonably practicable after we file such material with, or furnish it to, the SEC. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers, like Clearfield, that file electronically with the SEC and that internet site is http://www.sec.gov.

We use various trademarks and trade names in our business, including without limitation our corporate name and logo. Solely for convenience, the trademarks and trade names in this annual report may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that we will not assert, to the fullest extent under applicable law, our rights thereto.

ITEM 1A. RISK FACTORS

Risks Relating to Our Operations

We depend on the availability of sufficient supply of certain materials. Global disruptions in the supply chain for these materials could prevent us from meeting customer demand for our products.

We purchase critical components for our products, including injection molded parts, various cabling, optical components, components for active cabinets, and connectors from third parties, some of which are single- or limited-source suppliers. We depend on the ability of these third-party suppliers to secure a sufficient supply of raw materials and maintain sufficient manufacturing and shipping capacity. The global supply chain for raw materials critical to our products has in the past, and may again in the future, suffer shortages, shipping delays and shipping shortages. This may lead some manufacturers who depend on these raw materials to experience shortages, delivery delays and price increases for both the raw materials and shipping, with the corresponding consequence that these manufacturers may be delayed in delivering products to us or may charge higher prices for these products, or there may be increased shipping costs associated with the products. Some manufacturers may also allocate short supply of products among Clearfield and their other customers. The current supply constraints of optical fiber, cable and connectors driven by the rapid rise in demand for artificial intelligence ("AI") and cloud computing, raw material constraints, manufacturing capacity limits, and logistics have led to extended lead times, increased exposure to allocation decisions, higher product costs, and delays in customer deployments and buildouts.

Increased demand for the Company's products from its customers may put pressure on the Company's supply chain, particularly during periods of disruption in the global supply chain and may lead to increases in costs or delays in obtaining the materials and components for our products from our suppliers. The Company's ability to recognize revenue in the future for customer orders will depend on our ability to manufacture and deliver products to the customers and fulfill other contractual obligations. Our ability to meet future customer demand for our products will in turn depend upon our suppliers receiving timely and adequate supplies of raw materials to be able to produce the critical materials and components they supply to us. Although we place a high value on long-term relationships with our suppliers, generally we do not have long-term supply contracts but instead conduct business on an order-by-order basis. Therefore, we also compete with other companies for the production capacity of manufacturers of the materials and components we need for our products. We also are exposed to potentially increasing costs associated with the materials and components we purchase from suppliers or increased costs associated with shipping generally. We may attempt to mitigate the effect of increases in our cost of goods sold through sourcing or stocking initiatives and by selectively increasing the prices of our products. However, we may be unable to fully pass on these costs to our customers. Long lead times for certain components and changes in demand for our products may impact our ability to accurately forecast our production requirements. As a result, certain component inventory purchases may become excess or obsolete, which could have an adverse effect on our financial condition and results of operations.

The reduction of available production capacity among our suppliers, their failures to meet production deadlines or increases to us in their manufacturing or shipping costs may impact our ability to deliver quality products to our customers on a timely basis, make our products less competitive due to extended delivery times or increased price, negatively impact our customer or distributor relationships, and result in lower net sales and profit. Any delays or inabilities in meeting customer required shipping dates may also expose us to order cancellations in our sales order backlog by customers, which could have an adverse effect on our results of operations.

We rely on single-source suppliers, which could cause delays, increases in costs, or prevent us from completing customer orders, all of which could materially harm our business.

We assemble our products using materials and components supplied by various subcontractors and suppliers. We purchase critical components for our products, including injection molded parts, various cabling, optical components, and connectors from third parties, some of whom are single- or limited-source suppliers. If any of our suppliers are unable to ship critical components, we may be unable to manufacture and ship products to our distributors or customers. If the price of these components increases for any reason, or if these suppliers are unable or unwilling to deliver, we may have to find another source, which could result in interruptions, increased costs, delays, lost sales, and quality control problems.

Further, the costs to obtain certain raw materials and supplies, such as fiber, are subject to price fluctuations, which may be substantial, because of global market demands. Many companies utilize the same raw materials and supplies in the production of their products as we use in our products. Companies with more resources than us may have a competitive advantage in obtaining raw materials and supplies due to greater purchasing power. Some raw materials or supplies may be subject to regulatory actions, which may affect available supplies. Further, new or increased tariffs may be imposed by governments on imports from other countries that are the single- or limited-source of our materials and components. Tariffs increase the cost of the materials and components that go into making our products, but we are generally unable to pass some or all of these increased costs on to our customers. Accordingly, these increased costs adversely impact the gross margin that we earn on our products. Furthermore, due to general economic conditions in the U.S. and globally, our suppliers may experience financial difficulties, which could result in increased delays, additional costs, or loss of a supplier.

The termination or interruption of any of these relationships, or the failure of these manufacturers or suppliers to supply components or raw materials to us on a timely basis or in sufficient quantities, likely would cause us to be unable to meet orders for our products and harm our reputation and our business. Identifying and qualifying alternative suppliers would take time, involve significant additional costs, and may delay the production of our products. If we fail to forecast our manufacturing requirements accurately or fail to properly manage our inventory with our contract manufacturers, we could incur additional costs, experience manufacturing delays, and lose sales. Further, if we obtain a new supplier or assemble our product using an alternative source of supply, we may need to conduct additional testing of our products to ensure they meet our quality and performance standards. Any delays in delivery of our product to distributors or customers could be extended, and our costs associated with the change in product manufacturing could increase.

The failure of our third-party manufacturers to manufacture the products for us or the failure of our suppliers of components and raw materials to supply us these items consistent with our requirements as to quality, quantity and timeliness could materially harm our business by causing delays, lost sales, increases in costs and lower gross profit margins.

A number of products manufactured by the Company are produced outside the U.S., including in our Mexico facility. The Company's manufacturing facility in Mexico is authorized to operate as a Maquiladora by the Ministry of Economy of Mexico. Maquiladora status allows the Company to import certain items from the U.S. into Mexico duty-free, provided that such items, after processing, are exported from Mexico within a stipulated time frame. Maquiladora status, which is renewed periodically, is subject to various restrictions and requirements, including compliance with the terms of the Maquiladora program and other local regulations. Failure to comply with these regulations or other disruptions within the program could adversely affect the Company's financial position, results of operations, and cash flows.

Changes in trade policy in the U.S. and other countries may adversely affect our business and results of operations.

Changes in trade policy, including the imposition of new, increased, or retaliatory tariffs by the U.S. or foreign governments, may increase the cost of raw materials and components imported from other countries, leading to higher production costs and product pricing to the extent those increased costs are offset through price increases to our customers (which may result in declines in sales); disrupt established supply chains, forcing the Company to find new suppliers or relocate production, which could be time-consuming and costly; limit the attractiveness of certain geographic markets for our products and, in turn, result in reduced sales; lower profitability; result in uncertainty related to planning long-term investments and strategies; and have other competitive effects. While the changes in trade policy and tariffs introduced by the U.S. and foreign governments in recent years did not materially adversely impact our fiscal year 2026 results, the extent to which new, increased, or retaliatory tariffs may adversely affect our business and results of operations is uncertain, difficult to predict and dependent on a number of factors, including the extent and duration of the tariffs, any reversal or suspension of the tariffs, changes in the scope and rates of the tariffs, the availability of exemptions from the tariffs, and our ability to successfully implement measures to mitigate the impact of the tariffs.

Inflationary price pressures and uncertain availability of components, raw materials, labor and logistics used by us, and our suppliers could negatively impact our profitability.

Increases in the price of raw materials, labor and other components utilized in the production of our products, along with logistics and other related costs, may lead to higher production and shipping costs for our products. Additionally, increasing global demand for, and uncertain supply of, such materials could disrupt our ability to obtain such materials in a timely manner to meet our supply needs and could lead to increased costs. An increase in the cost of inputs needed to produce our products could lead to higher costs and could negatively impact our results of operations, future profitability, and ability to meet customer demand. Passing along these increased prices to our customers, where possible, to offset the impact of higher costs may cause certain customers to cancel, push out, or refrain from purchasing our products, which could negatively impact demand for our products, and therefore also negatively impact our results of operations and future 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.

Our customer base includes direct customers, OEMs, and distributors. For fiscal year 2026, the Company had two customers, Customer A and Customer B, which accounted for approximately 13% and 12% of net sales, respectively. Both of these customers are distributors.

These customers, like our other customers, purchase our products from time to time through purchase orders. We do not have any agreements that obligate our customers to purchase products in the future from us. Our agreements with our distributor customers do not prohibit them from purchasing or offering products or services that compete with ours.

We believe that the loss of our major distributor customers would likely result in purchases being re-directed through other sales channels, for example our other distributors, independent sales representatives, or through direct sales by the Company to customers. However, there can be no assurance that the loss of a distributor customer would not have an adverse effect on our sales or gross margins in this event.

The loss of any one or more of our key customers, the substantial reduction, delay, or cancellation of orders received from any of our customers in our sales backlog or our inability to collect the accounts receivable from these customers, could have a material adverse effect on our business, financial position and results of operations.

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.

We believe consolidation among our customers in the future will continue in order for them to increase market share and achieve greater economies of scale. In connection with this merger and acquisition activity, our customers may postpone or cancel orders for our product based on revised plans for technology or network expansion pending consolidation activity. Customers integrating large-scale mergers or acquisitions may also reduce their purchases of equipment during the integration period or postpone or cancel orders.

The impact of significant mergers and acquisitions among our customers on our business is likely to be unclear until sometime after such transactions are completed, which may take a year or more. After a consolidation occurs, a customer may choose to reduce the number of vendors from which it purchases equipment and may choose one of our competitors as its preferred vendor. There can be no assurance that we will continue to supply equipment to the surviving company after a business combination is completed.

Our growth in the data center market depends on a small number of large data center operators whose build schedules and order patterns are difficult to predict, and changes in their plans or constraints outside their control could materially reduce or delay our revenue.

We are increasingly trying to sell fiber management and connectivity solutions to data center operators. The data center market is dominated by a relatively small number of technology companies. The loss of, or a significant reduction in purchases by, any current or future data center customers could materially and adversely affect our results of operations.

Orders from data center customers may be large, irregular, and difficult to forecast. Data center customers' purchasing depends on their own build and expansion plans, which they may accelerate, delay, reduce, or cancel with little notice. Those plans can be affected by factors outside our control and often outside their control, including:

- changes in the customer's demand forecasts for computing capacity or capital spending priorities;
- local regulatory, permitting, zoning, or community opposition to data center development;
- constraints on electrical power availability, grid interconnection, cooling, or equipment supply and other dependencies in other parts of the build; and
- economic, financing, or competitive conditions affecting the customer.

Because our products are typically needed at specific stages of a build, a delay or slowdown in any part of a project can defer our shipments and revenue, sometimes from one period to another. Large orders and the timing of their fulfillment may cause our quarterly and annual results to fluctuate significantly, and we may be unable to adjust our inventory, manufacturing capacity, or costs quickly enough to respond. In addition, customers with significant purchasing power may seek price concessions or more favorable terms, which could reduce our margins.

Any of these factors could make our revenue less predictable, cause us to miss our guidance or analyst expectations, and adversely affect our business, financial condition, and results of operations and the market price of our common stock.

Our business is dependent on interdependent management information systems.

We rely on effective management information systems, including our enterprise resource planning ("ERP") software, for critical business operations and to support strategic business decisions. We rely on our ERP system to support important business operations such as processing sales orders and invoicing, manufacturing, shipping, inventory control, purchasing and supply chain management, human resources, and financial reporting. We also rely on management information systems to produce information for business decision-making and planning. If we are unable to maintain our management information systems, including our IT infrastructure, to support critical business operations and to produce information for business decision-making activities, we could experience a material adverse impact on our business or an inability to timely and accurately report our financial results.

Our IT systems may also be vulnerable to disruptions from human error, outdated applications, computer viruses, natural disasters, unauthorized access, cyber-attack, and other similar disruptions. Any system failure, accident or security breach could result in disruptions to our operations. To the extent that any disruptions, cyber-attack or other security breach results in a loss or damage to our data, or inappropriate use or disclosure of confidential information, it could harm our business. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

We may be subject to risks associated with acquisitions, and the risks could adversely affect future operating results.

We monitor our product portfolio and business and customer trends. In response, we have made and may continue to make acquisitions. The success of our acquisitions will depend on our ability to successfully identify and properly value suitable acquisition candidates, negotiate appropriate acquisition terms, obtain financing at a reasonable cost, prevail against competing acquirers, complete the acquisitions, and integrate the acquired businesses into our existing business. We cannot ensure that the expected benefits of any acquisition will be realized or will be realized within the time frames we expect. Costs could be incurred on pursuits or proposed acquisitions that have not yet or may not close which could impact our operating results, financial condition, or cash flows. Additionally, after the acquisition, unforeseen issues could arise which adversely affect the anticipated returns, or which are otherwise not recoverable as an adjustment to the purchase price. The price we pay for a business or product line may exceed the value we realize, and we cannot provide assurance that we will obtain the expected revenues, anticipated synergies, and strategic benefits of any acquisition within the time we expect or at all. Acquisitions may result in the recording of goodwill and other intangible assets which are subject to potential impairments in the future that could negatively impact our financial results.

If we are unable to complete acquisitions or successfully integrate and develop acquired businesses, or if acquired businesses do not perform as anticipated, our financial results could be materially and adversely affected. The risks inherent in pursuing or completing an acquisition include:

- diversion of management's time and attention away from existing business activities;
- difficulties or delays in integrating and assimilating information and financial systems, operations and products of an acquired business or other business venture or in realizing projected efficiencies, growth prospects, cost savings and synergies;
- potential difficulties in managing our expanded operations and, in the case of international acquisitions, potential difficulties in managing non-U.S. subsidiaries, including the burden and cost of complying with a variety of international laws;
- potential loss of key employees, customers and suppliers of the acquired businesses or adverse effects on relationships with existing customers and suppliers;
- adverse impact on overall profitability if the acquired business does not achieve the return on investment projected at the time of acquisition;
- currency translations and fluctuations may adversely affect the financial performance of our consolidated operations; and
- with respect to the acquired assets and liabilities, inaccurate assessment of additional post-acquisition capital investments; undisclosed, contingent, or other liabilities; problems executing backlog of material supply or installation projects; unanticipated costs; and an inability to recover or manage such liabilities and costs.

These risks associated with acquisition, integration of acquired businesses and management of our expanded operations may have a material adverse effect on our sales, financial condition, and results of operations.

Adverse global economic conditions and geopolitical issues, including their effect on our customers' spending and financial condition, could adversely affect our business, results of operations and financial condition.

Our business, including global supply chain, is affected by U.S. and global economic conditions and geopolitical issues. Geopolitical issues, such as the Iran war, the Russian invasion of Ukraine, the Israel-Hamas war, the U.S.-China rivalry, rising trade protectionism, economic sanctions and other global conflicts, have resulted in increasing global tensions, rising energy costs and uncertainty for our global supply chain. Sustained or worsening global economic conditions and geopolitical issues may disrupt or increase our cost of doing business, constrain the budgets of our customers or prospective customers or result in pricing pressure from our customers, and disrupt and delay our supply chain operations. These factors could negatively affect customer demand for our products, the cost and supply of components needed for our products, our ability to ship products to customers and ultimately impact our business, financial condition, and results of operations.

Product defects or the failure of our products to meet specifications or domestic content requirements could cause us to lose customers and sales or to incur unexpected expenses.

If our products do not meet our customers' performance requirements, our customer relationships may suffer. Also, our products may contain defects or fail to meet product specifications. Any failure or poor performance of our products could result in:

- lack of or delayed market acceptance of our products;
- delayed product shipments;
- unexpected expenses and diversion of resources to replace defective products or identify and correct the source of errors;
- damage to our reputation and our customer relationships;
- delayed recognition of sales or reduced sales;
- increased product warranty claims; and
- product liability claims or other claims for damages that may be caused by any product defects or performance failures.

In addition, certain of our products will be required to meet Build America, Buy America (BABA) Act domestic content requirements to enable certain customers to qualify for grant funding under the Broadband Equity, Access, and Deployment (BEAD) program. Any failure of such products to meet BABA domestic content requirements would result in those products being ineligible for purchase and use by certain customers under the BEAD program, and could result in lost sales, lost business opportunity, breach of warranty claims, and damage to our reputation and customer relationships.

Our products are often critical to the performance of telecommunications systems. We offer customers limited warranty provisions. If the limitations on the product warranties are unenforceable in a particular jurisdiction or if we are exposed to product liability claims that are not covered by insurance, a claim could harm our business.

We are dependent on key personnel.

Our failure to attract, develop and retain skilled personnel could hinder the management and growth of our business, our research and development, our sales and marketing efforts and our manufacturing capabilities. Our future success depends on our continuing ability to attract, develop, retain, and motivate highly qualified executive, managerial, technical and sales personnel. Our inability to attract, develop and retain qualified personnel could have a significant negative effect and thereby materially harm our business and financial condition.

On October 20, 2026, we announced that Cheryl Beranek will retire as our President and Chief Executive Officer, and that Ms. Beranek will serve in her existing role until the earlier of the appointment of her successor or March 31, 2027. Upon the appointment of her successor, Ms. Beranek will remain employed by the Company through March 31, 2027, as a non-executive officer to provide transition and other assistance. We have entered into a transition agreement with Ms. Beranek to facilitate her retirement and the smooth transition to a successor Chief Executive Officer. Our future success depends on our ability to attract, develop and retain a highly qualified successor Chief Executive Officer and to a significant degree on a smooth transition.

Cyber-security 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.

Cybersecurity threats continue to expand and evolve, making it difficult to detect and prevent such threats from impacting the Company. While we monitor our networks and continue to enhance our network security measures, cyber-attacks have increased in frequency and sophistication, and our efforts may not be adequate to prevent all cybersecurity incidents. The emergence, maturation, and increasing availability of AI capabilities may lead to new and more sophisticated methods of cyber-attack that utilize AI technologies, including AI technologies that have the potential to increase the speed and impact of cyberattacks. Cybersecurity threats to the Company could lead to unauthorized access to the Company's information technology systems, customers, suppliers, and third-party service providers. Cybersecurity incidents could potentially result in the disruption of our business operations and/or the theft, destruction, publication, or corruption of critical data and confidential or proprietary information. Cybersecurity events could also result in the Company being unable to access critical data in a timely manner, or at all. Cybersecurity incidents could also result from unauthorized parties gaining access to our systems or information through fraudulent or other means of deceiving our employees, suppliers, customers, or third-party service providers. Despite the Company's implementation of preventative security measures and controls to prevent, detect, and mitigate these threats, our infrastructure may still be susceptible to disruptions from cybersecurity incidents including ransomware attacks, security breaches, computer viruses, outages, and systems failures, any of which could include the inability to access critical data, reputational damage, loss of our intellectual property, release of highly sensitive confidential information, litigation with third parties and/or governmental investigations and fines, which could have a material adverse effect on our financial condition and results of operations. Additionally, as cybersecurity threats continue to evolve, we may be required to devote additional resources to continue to enhance our information security measures and controls to mitigate these new and emerging threats.

The development, deployment and use of AI could adversely affect our business and results of operations.

We are increasingly evaluating and utilizing AI technologies, including generative AI and machine learning, in our internal business operations. Our use of AI technologies may create dependencies on third-party AI providers. Any disruptions, security incidents, changes in business practices, contractual terms, service availability, or functionality affecting such providers could adversely affect our operations, costs, innovation efforts, or competitive position. The implementation and use of AI can be costly and there is no guarantee that our investments in AI technologies will yield the expected benefits or that such technologies will perform as anticipated in our business environment. AI technologies are rapidly evolving, and we may not be able to anticipate or adequately mitigate the risks these technologies present.

AI and the associated demand for fiber connectivity solutions for data centers could be a significant driver of future demand for our products. However, the future of AI and the impact on demand for our products is difficult to predict, and AI-driven demand may not be sustainable. As a result, our expectations regarding our future financial results may not materialize. In addition, AI technologies may produce inaccurate, incomplete, misleading, biased, or otherwise unreliable information, which could lead to faulty business decisions, operational disruptions, product quality issues, legal liability, regulatory scrutiny or reputational harm. The use of AI technologies may also increase risks related to intellectual property infringement, confidentiality, data protection, cybersecurity, privacy, and compliance with regulatory requirements and contractual obligations.

The legal and regulatory framework governing AI is rapidly evolving in the United States and other jurisdictions, and our failure to comply with these requirements could increase our costs, restrict our development or use of AI, or subject us to investigations, litigation, fines or reputational harm. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Natural disasters, extreme weather conditions or other catastrophic events could negatively affect our business, financial condition, and operating results.

Natural disasters, extreme weather events and other catastrophic events such as flooding, tornadoes, hurricanes, unusually heavy precipitation, earthquakes, tsunamis, fires, explosions, acts of war, terrorism, civil unrest, pandemics or other health crises could increase the cost of doing business or otherwise harm our operations, our suppliers and our customers. Such events could reduce demand for our products or make it difficult or impossible for us to receive raw materials from suppliers and deliver products to our customers.

Risks Relating to Our Markets and Industry

To compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance.

The telecommunications, data center, and network infrastructure equipment industries are characterized by rapid technological changes, evolving industry standards, changing market conditions and frequent new product and service introductions and enhancements. The introduction of products using new technologies, or the adoption of new industry standards, can make our existing products, or products under development, obsolete or unmarketable. In order to remain competitive and increase sales, we will need to anticipate and adapt to these rapidly changing technologies, enhance our existing products and introduce new products to address the changing demands of our customers.

Many of our competitors have greater engineering and product development resources than we have. Although we expect to continue to invest resources in product development activities, our efforts to achieve and maintain profitability will require us to be selective and focused with our research and development expenditures. In addition, sales to certain broadband service providers may require third-party independent laboratory testing in order to obtain industry certifications to be able to sell to those customers. Further, our existing and development-stage products may become obsolete if our competitors introduce newer or more appealing technologies. If these technologies are patented or proprietary to our competitors, we may not be able to access these technologies.

If we fail to anticipate or respond in a cost-effective and timely manner to technological developments, changes in industry standards or customer requirements, or if we experience any significant delays in product development or introduction, our business, operating results, and financial condition could be affected adversely.

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.

Our business is dependent upon capital spending by broadband service providers for constructing, expanding, upgrading, rebuilding, and maintaining fiber-based networks for residential homes, businesses, and network infrastructure in the wireline and wireless access network. Capital spending in the broadband communications industry is cyclical, sporadic among individual broadband service providers, and can be delayed, reduced or cancelled on short notice, giving us limited visibility into changes in spending behavior in any particular period. We have experienced significant reductions in capital spending by broadband service providers in the past, which negatively impacted our results of operations, and we may experience significant fluctuations in capital spending by broadband service providers in the future. The timing and amount of capital spending in the broadband communications industry may be affected by a variety of factors, including but not limited to general economic and market conditions, customer-specific financial conditions or budget allocation decisions, seasonality of outdoor deployments, access to and timing of government funding programs, changes in consumer spending, the timing and adoption of new technologies, consumer and commercial demand for broadband services, competing technologies (such as the increasing prevalence of satellite), competitive pressures, government regulations, industry consolidation, and changes in customer preferences or requirements. Unfavorable changes in economic conditions, including recession, inflation, lack of access to capital, lack of consumer confidence or other changes have resulted and may continue to result in lower spending among our customers and target customers in the broadband service provider industry. Within the broadband service provider industry, our customer segments may be more or less affected by these factors in any given period. Our ability to maintain or increase revenues in the future will depend on the financial health and continued growth of the broadband communications industry. If the broadband service providers do not maintain or increase spending or do not select our products for their fiber-based deployments, the market for our products may not grow or may grow more slowly than we expect, either of which would significantly adversely affect our business, results of operations, or financial condition.

If the telecommunications, data center, and network infrastructure equipment markets do not continue to expand, or if non-fiber technologies capture a significant share of demand for high-speed connectivity, our business may not grow as fast as we expect, which could adversely affect our business, financial condition, and operating results.

Our future success as a provider of fiber management, fiber protection and fiber delivery products depends on the continued growth of demand for fiber broadband and, in particular, the continued expansion in the United States and in our other markets of information networks, particularly those directly or indirectly dependent upon a fiber optic infrastructure. As part of that growth, we anticipate that demand for voice, video, AI and other data services delivered over high-speed connections (both wired and wireless) will continue to increase. If this demand does not increase, or is met through non-fiber technologies, the need for enhanced high-speed bandwidth using fiber connections may not increase. Currently, demand for high-speed broadband capabilities and access is increasing, but future growth may be limited by several factors, including, among others: (1) relative strength or weakness of the global economy or certain countries or regions, (2) an uncertain regulatory environment, (3) uncertainty regarding long-term sustainable business models as multiple industries, such as the cable, traditional telecommunications, wireless and satellite industries, offer competing content delivery solutions, and the availability, performance, cost and acceptance of non-fiber technologies that may be used instead of, or may delay or reduce, fiber deployment, (4) excess product inventory in the marketplace, (5) lack of available skilled labor to install product, (6) delays in the permitting process for fiber optic network installations or data center buildouts, (7) supply chain constraints of optical fiber, and (8) community opposition, litigation, moratoriums and other constraints related to data center buildouts. If the factors described above were to occur and cause the demand for fiber broadband capabilities or access to slow, stop or reverse, or to shift to non-fiber technologies, our business, financial condition and operating results would be negatively affected.

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.

The telecommunications and cable television industries are subject to significant and changing U.S. federal and state regulation, some of which subsidizes or encourages spending on initiatives that utilize our products.

For example, programs like the Connect America Fund (CAF), which provides a capital expenditure subsidy for the build-out of the country's broadband network, the Rural Digital Opportunity Fund (RDOF), which provides a capital expenditure subsidy for the support of high-speed broadband networks in rural America, and the Broadband Equity, Access and Deployment (BEAD) program, among others, which will provide funding for broadband deployment, mapping and adoption projects in unserved and underserved areas in the United States, its territories, and the District of Columbia, may subsidize or encourage spending by our customers or prospective customers on capital spending projects that utilize our products. Customers may seek to time or otherwise adjust their technology or network expansion projects to the availability of subsidies under these or other programs, which will affect the timing and size of orders for our products. Additionally, these government programs may be subject to significant timing, funding and other uncertainties, which also may change with different state and federal administrations, that make it challenging for us to accurately forecast the subsidies or other supports to our customers or the degree to which customers may undertake capital spending on projects that utilize our products. In addition, other universal service reforms scheduled to begin in the coming years will eliminate subsidies that carriers have traditionally relied upon to support service in high-cost, rural areas. Changes in government programs in our industry or uncertainty regarding future changes could adversely impact our customers' or prospective customers' decisions regarding timing and amounts of capital spending, which could decrease demand for our products, delay orders or result in pricing pressure from these customers.

Intense competition in our industries may result in price reductions, lower gross profits, and loss of market share.

Competition in the telecommunications, data center, and network infrastructure equipment and services industries is intense. Our competitors may have or could develop or acquire marketing, financial, development and personnel resources that exceed ours. Our ability to compete successfully will depend on whether we can continue to advance the technology of our products and develop new products, the acceptance of our products among our customers and prospective customers, and our ability to anticipate customer needs in product development, as well as the price, quality and reliability of our products, our delivery and service capabilities and our control of production capacity and operating expenses.

There can be no assurance that we will be able to compete successfully against our current or future competitors. Competition from manufacturers of telecommunications, data center, and network infrastructure equipment such as ours may result in price reductions, lower gross profit margins, increased discounts to customers, and loss of market share, which could require increased spending by us on research and development, sales and marketing, and customer support.

Our success depends upon adequate protection of our patent and other intellectual property rights.

Our future success depends in part upon our proprietary technology. We attempt to protect our proprietary technology through patents, trademarks, copyrights, and trade secrets. However, these legal means afford us only limited protection and may not adequately protect our rights or remedies to gain or keep any advantages we may have over our competitors. Accordingly, we cannot predict whether these protections will be adequate, or whether our competitors will develop similar technology independently, without violating our proprietary rights.

Our competitors, many of which have significant resources, may make substantial investments in competing products and technologies, or may apply for and obtain patents that will prevent, limit, or interfere with our ability to manufacture or market our products. We may litigate to enforce patents issued to us and to defend against claimed infringement of the rights of others or to determine the ownership, scope, or validity of our proprietary rights and the rights of others.

Litigation has been necessary in the past and may be necessary in the future to defend or enforce our intellectual property rights, to protect our patents and trade secrets, and to determine the validity and scope of our proprietary rights. Any litigation also may involve substantial costs and diversion of the attention of Company management away from operational activities. Any claim of infringement against us could involve significant liabilities to third parties, could require us to seek licenses from third parties, and could prevent us from manufacturing, selling or using our products. The occurrence of litigation or the effect of any settlement or an adverse determination in litigation could have a material adverse effect on our business, financial condition, and results of operations.

We face risks associated with expanding our sales outside of the United States.

We believe that our future growth depends in part upon our ability to increase sales in international markets. These sales are subject to a variety of risks, including fluctuations in currency exchange rates, tariffs, import restrictions and other trade barriers, unexpected changes in legal and regulatory requirements, longer accounts receivable payment cycles, potentially adverse tax consequences, and export license requirements. In addition, we are subject to the risks inherent in conducting business internationally, including political and economic instability, unexpected changes in diplomatic and trade relationships, and a complex system of commercial and trade laws, regulations, and policies, including those related to tariffs, data privacy, trade compliance, anti-corruption, and anti-bribery. Currency fluctuations may also increase the cost of our international operations and increase the relative price of our product in international markets and thereby cause our products to become less affordable or less price competitive than those of international manufacturers. These risks associated with international operations may have a material adverse effect on our revenue from or costs associated with international operations or sales.

Risks Relating to Our Common Stock

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.

Because many purchases by customers of our products relate to a specific customer project and are procured by the customer from time to time through purchase orders, the short-term demand for our products can fluctuate significantly. This fluctuation can be further affected by the long sales cycles necessary to obtain contracts to supply equipment for these projects, the availability of capital to fund our customers' projects, changes or delays in customer deployment schedules, and the impact of government programs to encourage service to unserved or underserved communities, rural areas or other high-cost areas on customer buying patterns. These long sales cycles may result in significant effort expended with no resulting sales or sales that are not made in the anticipated quarter or fiscal year. Certain customers and prospective customers, typically larger broadband service providers, are conducive to these long sales cycles which may be multi-year efforts. Demand for our products will also depend upon the extent to which our customers and prospective customers initiate these projects and the extent to which we are selected to provide our equipment in these projects, neither of which can be assured. In addition, a sharp increase in demand could result in actual lead times longer than quoted, and a sharp decrease in demand could result in excess stock. These factors generally result in fluctuations, sometimes significant, in our operating results. Other factors that may affect our quarterly operating results include:

- the volume and timing of orders from and shipments to our customers, particularly significant customers;
- cancellation of customer orders or changes in customer-provided forecasts for orders may result in obsolete inventory;
- mergers and acquisitions activity among our customers;
- work stoppages and other developments affecting the operations of our customers;
- the timing of and our ability to obtain required certifications or qualifications to sell products, the timing of and our ability to obtain new customer contracts, and the timing of revenue recognition;
- the timing of new product and service announcements;
- the availability of products and services;
- seasonal trends in the industries we serve;
- market acceptance of new and enhanced versions of our products and services, including the impact of government programs on customers purchasing decisions;
- variations in the mix of products and services we sell;

- the utilization of our production capacity and employees, including foreign operations;
- the availability and cost of key components of our products, including the impact of new or increased tariffs or tariff refunds; and
- accounting treatment related to stock-based compensation.

Further, we budget our expenses based in part on expectations of future sales. If sales levels in a particular quarter are lower than expected, our operating results will be affected adversely.

Because of these factors, our quarterly operating results are difficult to predict and are likely to vary in the future. If our operating results are below financial analysts' or investors' expectations, the market price of our common stock may fall abruptly and significantly.

Our stock price has been volatile historically and may continue to be volatile. The price of our common stock may fluctuate significantly.

The trading price of our common stock has been and may continue to be subject to wide fluctuations. Our stock price may fluctuate in response to a number of events and factors, such as quarterly variations in operating results, announcements of technological innovations or new products by us or our competitors, changes in financial estimates and recommendations by securities analysts, the operating and stock price performance of other companies that investors may deem comparable to us, and new reports relating to trends in our markets or general economic conditions.

In addition, the stock market is subject to price and volume fluctuations that affect the market prices for companies in general, and small-capitalization, high-technology companies like us in particular. These broad market and industry fluctuations may adversely affect the price of our common stock, regardless of our operating performance. Further, any failure by us to meet or exceed the expectations of financial analysts or investors is likely to cause a decline in our common stock price. Further, recent industry and economic conditions have resulted in significant fluctuations in stock prices for many companies, including Clearfield. We cannot predict when the stock markets and the market for our common stock may stabilize. In addition, although our common stock is listed on the Nasdaq Stock Market, our common stock has at times experienced low trading volume in the past. Limited trading volume subjects our common stock to greater price volatility and may make it difficult for our shareholders to sell shares at an attractive price.

Anti-takeover provisions in our organizational documents, Minnesota law, and other agreements could prevent or delay a change in control of our Company.

Certain provisions of our articles of incorporation and bylaws, Minnesota law, and other agreements may make it more difficult for a third-party to acquire, or discourage a third-party from attempting to acquire, control of our Company, including:

- the provisions of our bylaws setting forth the advance notice and information requirements for shareholder proposals, including nominees for directors, to be considered properly brought before shareholders;
- the right of our board of directors to establish more than one class or series of shares and to fix the relative rights and preferences of any such different classes or series;
- the provisions of Minnesota law relating to business combinations and control share acquisitions; and
- the provisions of our equity compensation plans allowing for the acceleration of vesting or payments of awards granted under the plans in the event of specified events that result in a "change in control" and provisions of agreements with certain of our executive officers requiring payments if their employment is terminated and there is a "change in control."

These measures could discourage or prevent a takeover of us or changes in our management, even if an acquisition or such changes would be beneficial to our shareholders. This may have a negative effect on the price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We believe cybersecurity plays a strategic role in ensuring smooth business operations. We are committed to developing, implementing and maintaining cybersecurity measures and processes that are designed to safeguard our information systems, data and operations, and to assess, identify and manage cybersecurity threats that may impact our business.

We operationalize our cybersecurity program through an information security management system based on the ISO/IEC 27001:2022 standard. This does not imply that we meet any particular technical standards, specifications, or requirements - only that we use the ISO/IEC 27001:2022 standard as a guide in designing and implementing our cybersecurity program. We believe designing and building our cybersecurity program around best practices and principles helps support robust disaster recovery.

Our cybersecurity program is integrated into our overall risk management processes. Key elements of our cybersecurity risk management program include, among others:

- Ongoing cybersecurity training and testing for all employees;
- Regular patching, vulnerability scanning, penetration testing, and network monitoring;
- Robust IT infrastructure to help reduce opportunities for adverse exploitation;
- Operational processes that reinforce cybersecurity policies and IT controls;
- Regular audits to assess our cybersecurity posture, maturity, and progress;
- A cybersecurity incident response plan operationalized in a governance, risk, and compliance ("GRC") platform; and
- A third-party risk management process for enterprise software vendors that includes reviewing System and Organization Control 1 and 2 (SOC 1 and SOC 2) reports and onboarding and maintenance processes for suppliers that include cybersecurity assessments.

While we have experienced cybersecurity incidents and expect to continue to be subject to such incidents, to date we have not experienced any cybersecurity incidents that have materially affected our business strategy, financial condition, or results of operations. The cybersecurity threat landscape continues to evolve and escalate. We are subject to ongoing risks from cybersecurity threats that could materially affect our business strategy, financial condition, or results of operations, as further described in Part I, Item 1A, "Risk Factors" of this Annual Report on Form 10-K.

Governance

Our Board of Directors includes cybersecurity risk as part of its overall risk oversight function, and has delegated to our Audit Committee responsibility for overseeing, reviewing and discussing with management: (i) our cybersecurity, information technology and data security risks and threats; (ii) the potential impact of those risks and threats on our business, operations, and reputation; and (iii) management's processes, procedures and actions to identify, assess, monitor, mitigate, and remediate such risks and threats. Our Chief Information Officer, who reports to our Chief Executive Officer, provides the Board and the Audit Committee regular reports and assessments on our cybersecurity program and material cybersecurity risks. In addition, our Chief Information Officer updates the Board and the Audit Committee, as appropriate, regarding significant cybersecurity incidents should they occur.

A cybersecurity incidence response team comprised of key function heads and personnel, including IT, Finance, Legal, and Human Resources, provides operational support for clarifying and acting on cybersecurity issues, including decision-making around materiality, escalation and disclosure. Our cybersecurity program is principally managed by our Information Security Manager, who reports to our Chief Information Officer. Together, our Information Security Manager and our Chief Information Officer have over 50 years of experience in IT, including developing, implementing, and operating IT controls. Our Chief Information Officer and our Information Security Manager manage cybersecurity risks by continually working to reduce risks, respond appropriately to incidents, and invest in hardening our attack surface to improve our cybersecurity posture. Our GRC platform is designed to provide reliability in identifying, tracking, and mitigating cybersecurity risks. We also engage third-party assessors, consultants, and auditors to extend internal team capabilities and support our cybersecurity program, including engaging a cybersecurity service provider that provides 24/7 continuous managed detection and response services.

ITEM 2. PROPERTIES

Clearfield leases an approximately 85,000 square foot facility at 7050 Winnetka Avenue North, Brooklyn Park, Minnesota, consisting of corporate offices, manufacturing, and warehouse space.

The Company indirectly leases an approximately 318,000 square foot office, manufacturing and warehouse facility in Tijuana, Mexico that operates as a Maquiladora.

Clearfield leases an approximately 105,000 square foot warehouse and manufacturing facility in Brooklyn Park, Minnesota.

We believe our facilities are in satisfactory condition, suitable for their respective uses, and generally adequate to meet current needs.

Please see Note 9. Leases in the consolidated financial statements for further details regarding the terms of our leases.

ITEM 3. LEGAL PROCEEDINGS

There are no pending legal proceedings against or involving the Company for which the outcome is likely to have a material adverse effect upon its financial position or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock

Our common stock is traded on the Nasdaq Global Market under the symbol "CLFD."

Number of Holders of Common Stock

There were 272 holders of record of our common stock as of November 6, 2026.

Dividends

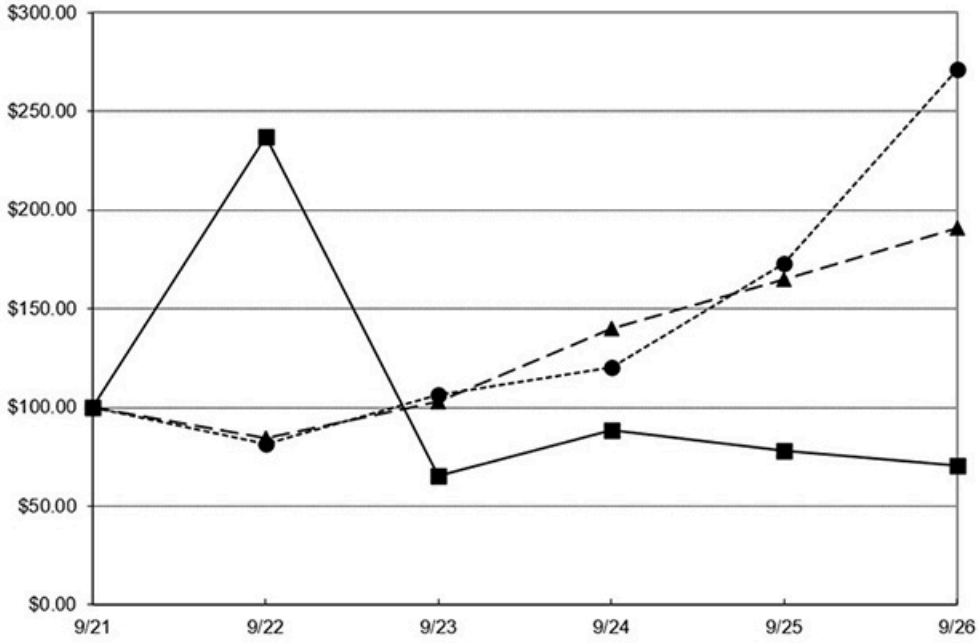
We have never paid cash dividends on our common stock. We currently intend to retain any earnings for use in our operations, continued organic growth, and potential future strategic transactions, as well as execution of the stock repurchase program described below, and do not intend in the foreseeable future to pay cash dividends on our common stock.

Stock Performance Graph

The following graph shows a comparison of the 5-year cumulative total return on Clearfield, Inc.'s common stock relative to the Standard & Poor's 500 Stock Index (S&P 500 Index), which the Company has selected as a broad market index, and The Standard & Poor's 1500 Communications Equipment Index (S&P 1500 Communications Equipment Index), which the Company has selected as a published industry index. The graph assumes an investment of $100 (with reinvestment of all dividends) is made in the Company's common stock and in each index on September 30, 2021, and its relative performance is tracked through September 30, 2026. The returns shown are based on historical results and are not intended to suggest future performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Clearfield, Inc., The S&P 500 Stock Market Index,
and S&P 1500 Communications Equipment Sub-Industry Index



* $100 invested on 9/30/21 in stock or index-
including reinvestment of dividends.
Fiscal year ending September 30.



Company/Index	September 30, 2021	September 30, 2022	September 30, 2023	September 30, 2024	September 30, 2025	September 30, 2026
Clearfield, Inc.	$ 100.00	$ 237.01	$ 65.53	$ 88.24	$ 77.87	$ 70.53
S&P 500 Stock Market Index	$ 100.00	$ 84.53	$ 102.80	$ 140.17	$ 164.84	$ 190.78
S&P 1500 Communications Equipment Sub-Industry Index	$ 100.00	$ 81.39	$ 106.55	$ 120.13	$ 173.00	$ 271.53

Issuer Repurchases

On November 20, 2025, the Company's board of directors increased the Company's share repurchase program from $65,000,000 to $85,000,000 commencing November 28, 2025, and continuing for an indefinite period or until terminated by the board of directors. During the year ended September 30, 2026, the Company repurchased 506,893 shares for approximately $15,179,000. As of September 30, 2026, we have repurchased an aggregate of 2,787,439 shares for approximately $71,786,000 leaving approximately $13,214,000 available within our $85,000,000 stock repurchase program. The repurchase program does not obligate Clearfield to repurchase any particular amount of common stock during any period. The repurchases will be funded by cash on hand.

The following table presents the total number of shares repurchased during the fourth quarter of fiscal 2026 by month and the average price paid per share:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (1)
July 1-31, 2026	13,736	$ 30.80	13,736	$ 14,573,000
August 1-31, 2026	21,886	28.77	21,886	13,943,000
September 1-30, 2026	24,539	29.69	24,539	13,214,000
Total	60,161	$ 29.61	60,161	$ 13,214,000

(1) The Company's share repurchase program was initially announced on November 13, 2014. The share repurchase program has subsequently been amended to increase the aggregate amount authorized for repurchases, most recently from $65,000,000 to $85,000,000, as announced on November 25, 2025.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement Regarding Forward-Looking Information

Statements made in this Annual Report on Form 10-K, in the Company's other SEC filings, in press releases and in oral statements, that are not statements of historical fact are "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward-looking statements. The words "believes," "expects," "anticipates," "seeks," "may," "will," "plan," "aim," "project," "target," "intend," "estimate," "should," "could," "outlook," "continue," and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made. The risks and uncertainties that could cause actual results to differ materially and adversely from those expressed or implied by the forward-looking statements include those risks described in Part I, Item 1A "Risk Factors."

Overview of Business: Clearfield designs, manufactures, and distributes fiber optic connectivity, management, protection, and delivery products for telecommunications, data centers, and network infrastructure markets. The Company's "fiber to the anywhere" platform serves a broad range of customers in the United States, including Community Broadband, Large Regional Service Providers, National Carriers, Multiple System Operators ("MSOs" or "cable TV"), Data Center, and Enterprise and Edge customers. The Company also serves International markets, primarily in Canada, the Caribbean, Central and South America, and Mexico. Broadband service providers remain the Company's largest customer group, while data center and edge connectivity represent a growing area of focus. The Company sells its products directly to customers through its sales force and indirectly through authorized distributors, supported by independent sales representatives.

Results of Operations

The Company's reportable segment is based on the Company's method of internal reporting. The internal reporting of the operating segment is defined based, in part, on the reporting and review process used by the Company's Chief Executive Officer, also known as the Chief Operating Decision Maker ("CODM"). The CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources and evaluating financial performance. As such, the Company has determined that it operates as one reportable segment.

On November 11, 2025, the Company completed the sale of its Nestor Cables business, which was previously reported as the Nestor Cables Operating Segment. In connection with this sale, the historical results of the Nestor Cables business and certain assets and liabilities of the Nestor Cables business are reported in our consolidated financial statements as held for sale/discontinued operations. Following the sale of the Nestor Cables business, the continuing operations of the Company comprise one operating segment and one reportable segment.

For a comparison of fiscal year 2025 to 2024, see Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2025, filed with the SEC on November 25, 2025.

Reported below are the results of operations for the Company's continuing operations unless otherwise stated.

Year ended September 30, 2026, compared to year ended September 30, 2025

The Company's net sales for fiscal year 2026 increased 1%, or $1,805,000, to $151,939,000 from net sales of $150,134,000 in fiscal year 2025. The Company allocates sales from external customers to geographic areas based on the location to which the product is transported. Accordingly, international sales represented 3% of net sales for the years ended September 30, 2026, and 2025.

The increase in net sales for fiscal year 2026 of $1,805,000 compared to fiscal year 2025 was primarily driven by increased sales to Large Regional Service Provider customers of $6,428,000, up 19%, Community Broadband customers of $4,002,000, up 6%, National Carrier customers of $1,495,000, up 15%, and Data Center customers of $106,000, partially offset by decreased sales to MSO customers of $7,671,000, down 24%, Legacy customers of $2,323,000, down 100%, and International customers of $232,000, down 4%. The increase in sales to Large Regional, Community Broadband, National Carrier, and Data Center customer markets for the fiscal year ended September 30, 2026, as compared to the fiscal year ended September 30, 2025, was due to increased demand from customers in these segments. In addition, the decrease in sales to Legacy customers is due to the divestiture of the Company's former build-to-print copper cable assemblies business in September 2025.

Cost of sales for fiscal year 2026 was $103,381,000 compared to $99,597,000 in fiscal year 2025. Gross profit decreased 4%, or $1,979,000, from $50,537,000 for fiscal year 2025 to $48,558,000 for fiscal year 2026. Gross profit percent was 32.0% in fiscal year 2026 compared to 33.7% for fiscal year 2025. Gross profit as a percentage of net sales decreased compared to the prior period, driven by product mix and higher product costs, as well as higher excess and obsolete inventory charges, mainly due to a $2,560,000 charge in our third quarter of fiscal year 2026 related to the remaining finished goods portion of a customer order which we no longer believe will be fulfilled. This was offset by fiscal year 2026 recoveries on sales of previously reserved inventory of $3,392,000 as well as $1,091,000 in tariff refunds related to previously paid tariffs that have been refunded following a change in tariff regulations.

Selling, general and administrative expenses for fiscal year 2026 were $50,929,000, an increase of $2,510,000, or 5%, compared to $48,419,000 for fiscal year 2025. The increase was primarily attributed to higher wages and employee benefit expenses of $2,602,000, information technology maintenance and services cost of $524,000, employee travel related expenses of $461,000, sales and marketing expenses of $407,000, and engineering costs of $324,000. These increases were partially offset by a $1,946,000 reduction in performance-based compensation accruals under the Company's incentive compensation program.

Loss from continuing operations for fiscal year 2026 was $2,371,000 compared to income from continuing operations of $2,118,000 for fiscal year 2025. The decrease is the result of decreased gross profit margin and increased selling, general and administrative expenses as explained above.

Net investment income in fiscal year 2026 was $5,726,000 compared to $6,549,000 for fiscal year 2025. The decrease in net investment income is due to decreased interest income driven by lower interest rates earned on investments during fiscal year 2026.

Income tax expense for fiscal year 2026 was $1,233,000 compared to income tax expense of $2,357,000 for fiscal year 2025. The decrease in expense of $1,124,000 from the year ended September 30, 2025, is due to the decrease in pre-tax book income for fiscal year 2026. The income tax expense rate increased to 36.8% for fiscal year 2026 from 27.2% for fiscal year 2025 due to an increase in permanent nondeductible items, partially offset by changes in state taxes and the impact of research and development tax credits. Our provision for income taxes includes current U.S. federal and state current and deferred tax expense.

Net income from continuing operations for fiscal year 2026 was $2,122,000 or $0.16 per basic and diluted share compared to net income from continuing operations of $6,310,000 or $0.45 per basic and diluted share for fiscal year 2025.

Net loss from discontinued operations for fiscal year 2026 was $337,000 or $(0.02) per basic and diluted share compared to net loss from discontinued operations of $3,947,000 or $(1.03) per basic and diluted share for fiscal year 2025. There were no impairment losses associated with discontinued operations in fiscal year 2026, compared to impairment losses of $10,413,000 in fiscal year 2025. See Note 11 for further details regarding the impairment charges related to the Nestor Cables business in fiscal year 2025.

Liquidity and Capital Resources

As of September 30, 2026, the Company had combined consolidated balances of cash, cash equivalents, short-term and long-term investments of $157,430,000 compared to $165,799,000 as of September 30, 2025. Additionally, we have a line of credit for $40 million that has no outstanding borrowing as of September 30, 2026. The line of credit is secured by certain of the Company's U.S. assets and matures November 21, 2026. We are in compliance with the debt covenants related to the line of credit. Our excess cash is invested mainly in U.S. Treasury securities and money market funds. We previously invested in FDIC-insured certificates of deposit but we held none as of September 30, 2026. We believe the combined balances of short-term cash and investments, along with long-term investments and available bank lines of credit, provide a more accurate indication of our available liquidity.

We believe our existing cash equivalents and short-term investments, along with cash flow from operations and availability on a line of credit, will be sufficient to meet our working capital and investment requirements beyond the next 12 months. The Company intends on utilizing its available cash and assets primarily for its continued organic growth and potential future strategic transactions, as well as execution of the share repurchase program adopted by our board of directors, as detailed above.

Operating Activities

Net cash provided by operations for the fiscal year ended September 30, 2026, totaled $12,621,000. Cash provided by operations included net income from continuing operations of $1,785,000 for the fiscal year ended September 30, 2026, non-cash income and expenses for depreciation and amortization of $6,288,000, stock-based compensation of $4,649,000, decrease of $842,000 in deferred tax assets, amortization of premium and discount on investments of $311,000, in addition to changes in operating assets and liabilities providing and using cash. Changes in operating assets and liabilities providing cash include a decrease in net inventories of $4,101,000 and a decrease in other assets of $211,000. The decrease in inventory is due to lower inventory purchases during fiscal year 2026 as the Company utilized inventory on hand to fulfill customer orders to support sales demand. Changes in operating assets and liabilities using cash include an increase in accounts receivable of $2,444,000 and a decrease in accounts payable and accrued expenses of $2,837,000. Days sales outstanding ("DSO"), which measures how quickly receivables are collected, increased six days from 40 to 46 from September 30, 2025, to September 30, 2026. The decrease in accounts payable and accrued expenses is due to timing of payments and lower performance-based compensation accruals under the Company's incentive compensation program.

Net cash provided by operating activities of discontinued operations for the fiscal year ended September 30, 2026, was $1,380,000. Operating cash flows reflected a net loss from discontinued operations of $337,000, adjusted for non-cash depreciation and amortization expenses of $136,000, and $1,580,000 of cash provided by changes in operating assets and liabilities.

Investing Activities

We invest our excess cash in U.S. Treasury securities and money market funds in denominations across multiple financial institutions. We believe these investments provide competitive returns while maintaining an appropriate level of risk and liquidity.

For the fiscal year ended September 30, 2026, the Company received $101,158,000 in proceeds from investment maturities and used cash to purchase $85,640,000 certificates of deposit below FDIC insured levels and U.S. Treasury securities. The Company also used $3,597,000 in cash to purchase fixed and intangible assets. Additionally, $1,012,000 of cash was used in connection with the disposition of the Nestor Cables business, representing transaction-related costs directly associated with the sale. As a result, net cash provided by investing activities was $10,909,000 for fiscal year 2026. In fiscal year 2027, the Company expects to continue investing in information technology, manufacturing equipment, and facility improvements to support its operational needs.

There were no cash flows from investing activities of discontinued operations during fiscal year 2026.

Financing Activities

For the fiscal year ended September 30, 2026, the Company used cash to repurchase $15,179,000 of our common stock on the open market under our stock repurchase program. In connection with the stock repurchase, the Company paid $114,000 of U.S. federal excise taxes during fiscal year 2026. We received $513,000 from employees' purchase of stock through our Employee Stock Purchase Plan ("ESPP"). The Company used $142,000 related to share withholding for exercise and taxes associated with the issuance of common stock upon cashless exercise of stock options. The Company also used cash of $1,019,000 to pay for taxes as a result of employees' vesting of restricted shares using share withholding. As a result, the net cash used for financing activities during fiscal year 2026 was $15,941,000.

Net cash used in financing activities of discontinued operations for the fiscal year ended September 30, 2026, totaled $1,196,000, driven by net borrowings and repayments from the factoring liability held by Nestor Cables.

Operating Leases

We have entered into various non-cancelable operating lease agreements for office equipment at our office and manufacturing spaces in Minnesota and Mexico expiring at various dates through April 2032. Certain of these leases have escalating rent payment provisions. We recognize rent expense under such leases on a straight-line basis over the term of the lease. Please see Note 9. Leases in the consolidated financial statements for further details regarding the terms of our leases.

Critical Accounting Estimates

In preparing our financial statements, we make estimates, assumptions and judgments that can have a significant impact on our sales, income from operations and net income, as well as on the value of certain assets and liabilities on our consolidated balance sheets. We believe there are several accounting policies that are critical to an understanding of our historical and future performance, as these policies affect the reported amounts of sales, expenses and significant estimates and judgments applied by management. While there are a number of accounting policies, methods and estimates affecting our financial statements, areas that are particularly significant include:

- Stock-based compensation
- Impairment of long-lived assets, intangible assets and goodwill
- Valuation of inventory

Stock-Based Compensation

We measure stock-based compensation expense for all share-based payment awards granted to employees and directors based on the fair value of those awards on the grant date. The determination of fair value includes estimates of the fair value of our common stock. These estimates impact the amount of compensation expense recognized over the requisite service period of the award. For restricted stock awards and performance stock units (PSUs), fair value is determined using the closing market price of our common stock on the grant date. For PSUs, we also make judgments regarding the probability of achieving performance targets, which can significantly affect the timing and amount of expense recognized. For stock options, we use the Black-Scholes option-pricing model to estimate fair value. The use of this model requires the input of subjective assumptions such as expected volatility, expected term, risk-free interest rate, and expected dividend yield. The expected terms of the options are based on evaluations of historical and expected future employee exercise behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at grant date. Volatility is based on historical and expected future volatility of the Company's stock. The Company has not historically issued any dividends and does not expect to in the future. Forfeitures for both option and restricted stock grants are estimated at the time of the grant and revised in subsequent periods if actual forfeitures differ from estimates.

Changes in any of the above assumptions could materially affect the amount of stock-based compensation expense recorded in future periods. We periodically review our valuation assumptions and update them as necessary. If actual results differ significantly from our estimates or if we modify the underlying assumptions, the amount of stock-based compensation expense could differ materially from the amounts currently recognized or disclosed.

Impairment of Long-Lived Assets, Intangible Assets and Goodwill

The Company's long-lived assets as of September 30, 2026, consisted primarily of property, plant and equipment, right of use lease assets, patents, intangibles, and goodwill. The Company reviews the carrying amount of its property, plant and equipment, right of use lease assets, and intangible assets if events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When this review indicates the carrying amount of an asset or asset group exceeds the sum of the future undiscounted cash flows expected to be generated by the assets, the Company recognizes an asset impairment charge against operations for the amount by which the carrying amount of the impaired asset exceeds its fair value.

Determining fair values of property, plant, and equipment, right of use lease assets, and intangible assets using a discounted cash flow method involves significant judgment and requires the Company to make significant estimates and assumptions, including long-term projections of cash flows, market conditions and appropriate discount rates. Judgments are based on historical experience, current market trends, consultations with external valuation specialists and other information. If facts and circumstances change, the use of different estimates and assumptions could result in a materially different outcome. The Company generally develops these forecasts based on recent sales data for existing products, planned timing of new product launches or acquisitions, and estimated future growth of the FTTP market.

Goodwill represents the excess purchase price over the fair value of tangible net assets acquired in acquisitions after amounts have been allocated to intangible assets. Goodwill is tested for impairment annually at fiscal year-end, or more frequently when events or changes in circumstances indicate that the asset might be impaired. Examples of such events or circumstances include, but are not limited to, a significant adverse change in legal or business climate, an adverse regulatory action or unanticipated competition. The Company assesses qualitative factors to determine whether the existence of events or circumstances would indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying amount.

If after assessing the totality of events or circumstances, the Company were to determine that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, then the Company would perform a quantitative test that compares the fair value to its carrying value to determine the amount of any impairment.

If the carrying amount of a reporting unit exceeds its fair value, the Company would measure the possible goodwill impairment loss based on an allocation of the estimate of fair value of the reporting unit to all of the underlying assets and liabilities of the reporting unit, including any previously unrecognized intangible assets. The excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. An impairment loss is recognized to the extent that a reporting unit's recorded goodwill exceeds the implied fair value of goodwill. An impairment loss would be based on significant estimates and judgments, and if the facts and circumstances change, a potential impairment could have a material impact on the Company's financial statements.

No impairment of the goodwill or intangible assets related to continuing operations has occurred during the years ended September 30, 2026, 2025, and 2024, respectively. Refer to Note 11 for discussion of the discontinued operations and impairment of assets held for sale of the Nestor Cables business.

Valuation of Inventory

The Company maintains a material amount of inventory to support its manufacturing operations and customer demand. This inventory is stated at average cost, subject to the lower of cost or net realizable value. The determination of the valuation of inventory requires management to make significant estimates and judgments about future product demand, product life cycles, and the recoverability of inventory costs.

We evaluate inventory levels on a quarterly basis, considering factors such as historical usage, forecasted demand, production lead times, and product aging. When actual demand differs from our expectations, we may be required to record additional write-downs or, conversely, recognize a reduction in previously established write-downs once the product is sold. Because of the inherent uncertainty involved in forecasting future product demand and product life cycles, actual results could differ materially from these estimates.

Management believes the methodologies and assumptions used to estimate the valuation of inventory are appropriate and consistently applied; however, changes in product mix, customer demand, or technological obsolescence could materially impact future results of operations and financial condition.

Recently Adopted Accounting Pronouncements

Refer to Note 1 to the Company's consolidated financial statements for a discussion of recently adopted accounting pronouncements.

New Accounting Pronouncements Not Yet Adopted

Refer to Note 1 to the Company's consolidated financial statements for a discussion of new accounting pronouncements not yet adopted.

Quarterly Information

As a result of the retrospective changes associated with the sale of the Nestor Cables business, which are reflected as discontinued operations for all periods presented, the following table sets forth selected consolidated quarterly financial information that have been adjusted to reflect these presentation changes.

	Three Months Ended			
(In thousands, except per share data)	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025
Net sales	$ 39,343	$ 43,864	$ 34,391	$ 34,341
Gross profit	$ 12,065	$ 13,944	$ 11,161	$ 11,388
Income (loss) from continuing operations before income taxes	$ 403	$ 3,934	$ (704)	$ (278)
(Loss) from discontinued operations before income taxes	$ -	$ -	$ -	$ (355)
Net (loss) income	$ (73)	$ 3,000	$ (528)	$ (614)
Basic earnings (loss) per share:				
Continuing operations	$ 0.00	$ 0.22	$ (0.04)	$ (0.02)
Discontinued operations	-	-	-	(0.02)
Basic earnings (loss) per share	$ 0.00	$ 0.22	$ (0.04)	$ (0.04)
Diluted earnings (loss) per share:				
Continuing operations	$ 0.00	$ 0.22	$ (0.04)	$ (0.02)
Discontinued operations	-	-	-	(0.02)
Diluted earnings (loss) per share	$ 0.00	$ 0.22	$ (0.04)	$ (0.04)

(In thousands, except per share data)	Three Months Ended			
	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Net sales	$ 41,060	$ 38,755	$ 40,621	$ 29,698
Gross profit	$ 14,225	$ 13,676	$ 13,961	$ 8,675
Income (loss) from continuing operations before income taxes	$ 2,583	$ 3,115	$ 3,271	$ (302)
(Loss) from discontinued operations before income taxes	$ (17,367)	$ (137)	$ (1,488)	$ (2,030)
Net (loss) income	$ (9,077)	$ 1,606	$ 1,327	$ (1,906)
Basic (loss) earnings per share:				
Continuing operations	$ 0.13	$ 0.17	$ 0.18	$ (0.02)
Discontinued operations	(0.78)	(0.06)	(0.09)	(0.11)
Basic (loss) earnings per share	$ (0.65)	$ 0.11	$ 0.09	$ (0.13)
Diluted (loss) earnings per share:				
Continuing operations	$ 0.13	$ 0.17	$ 0.18	$ (0.02)
Discontinued operations	(0.78)	(0.06)	(0.09)	(0.11)
Diluted (loss) earnings per share	$ (0.65)	$ 0.11	$ 0.09	$ (0.13)

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company currently invests its excess cash in United States Treasury securities with terms of not more than five years, as well as money market funds. The Company previously invested in FDIC-insured certificates of deposit but we held none as of September 30, 2026. The fair value of these investments fluctuates subject to changes in market interest rates. As of September 30, 2026, and 2025, the Company had combined consolidated balances of cash, cash equivalents, short term, and long-term investments of $157,430,000 and $165,799,000, respectively.

Foreign Exchange Rates

The Company uses the U.S. dollar as its reporting currency. We do not hedge against foreign currency fluctuations.

Inflation

Rising costs, including wages, logistics, components, and commodity prices are negatively impacting our profitability. We are subject to market risk from fluctuating market prices of certain purchased commodities and raw materials which has outpaced our ability to reduce the cost structure and manufacturability. We do not hedge commodity prices. Accordingly, inflation impacts our profitability, including cost of sales and operating expenses, and may have a material impact on the Company’s financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting of the Company. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with United States generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of the system of internal control over financial reporting as of September 30, 2026. In making this evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—2013 Integrated Framework. Based on management's evaluation and those criteria, management concluded that the Company's system of internal control over financial reporting was effective as of September 30, 2026.

Management's internal control over financial reporting as of September 30, 2026, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing on the following page, in which they expressed an unqualified opinion thereon.

Further discussion of our internal controls and procedures is included in Item 9A of this report, under the caption "Controls and Procedures."

Clearfield, Inc.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Clearfield, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Clearfield, Inc. (the "Company") as of September 30, 2026 and 2025, the related consolidated statements of earnings, comprehensive income (loss), shareholders' equity, and cash flows, for each of the two years in the period ended September 30, 2026, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2026 and 2025, and the results of its operations and its cash flows for each of the two years in the period ended September 30, 2026, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 17, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Inventories, Net – Inventory Reserves – Refer to Note 1 to the financial statements

Critical Audit Matter Description
Inventory is stated at average cost, subject to the lower of cost or net realizable value. The company’s recorded inventory reserve balance was approximately $12.5 million at September 30, 2026. On a regular basis, the Company reviews its inventory and identifies inventory which is excess, slow moving, or obsolete by considering factors such as inventory levels, expected product life, and forecasted sales demand. In estimating the excess, slow-moving and obsolete inventory reserve, management utilizes several inputs, including inventory turns of on-hand inventory, historical sales of inventory, order backlog, and historical write-off activity. Any identified excess, slow moving, and obsolete inventory is written down to its net realizable value through a charge to cost of sales.

We identified the estimated inventory reserve for excess, slow-moving and obsolete inventory as a critical audit matter given the magnitude of inventories, coupled with the significant judgments necessary to estimate the product life and forecasted sales demand. Auditing such estimates required a high degree of auditor judgment and an increased extent of effort when performing audit procedures and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to Inventories, Net – Inventory Reserves included the following, among others:

- We tested the design and operating effectiveness of controls over management's excess, slow-moving and obsolete inventory reserve estimate.
- We compared actual write-off activity in the current year to the excess and slow-moving inventory reserve estimated by the Company in the prior year to evaluate management's ability to accurately estimate the excess and slow-moving inventory reserve.
- We evaluated the appropriateness of and performed audit procedures over specified inputs supporting management's excess, slow-moving and obsolete inventory reserve estimate, including the inventory turns of on-hand inventory, historical sales of inventory, order backlog and historical write-off activity.
- We evaluated the appropriateness and consistency of management's methods and assumptions used in developing their estimate of the excess and slow-moving inventory reserve, which included consideration of product life cycle and forecasted sales demand.
- We reperformed the calculation of the excess and slow-moving inventory reserve utilizing the inputs, assumptions, and methodology consistent with management's estimate.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
November 17, 2026

We have served as the Company's auditor since 2025.

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Clearfield, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Clearfield, Inc. (the "Company") as of September 30, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended September 30, 2026, of the Company and our report dated November 17, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
November 17, 2026

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Clearfield, Inc.:

Opinion on the Financial Statements

We have audited, before the effects of the adjustments to retrospectively apply the change in reportable segment disclosures described in Note 12 and assets held for sale and discontinued operations described in Note 11, the accompanying consolidated statements of earnings, comprehensive income (loss), shareholders' equity, and cash flows of Clearfield, Inc. (the "Company") for the year ended September 30, 2024, and the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements, before the effects of the adjustments to retrospectively apply the change in reportable segment disclosures described in Note 12 and assets held for sale and discontinued operations described in Note 11, present fairly, in all material respects, the results of its operations and its cash flows for the year ended September 30, 2024, in conformity with accounting principles generally accepted in the United States of America.

We were not engaged to audit, review, or apply any procedures to the adjustments and related required disclosures regarding the effects of the adjustments to retrospectively apply the change in reportable segment disclosures described in Note 12 and assets held for sale and discontinued operations described in Note 11.

Basis for Opinion

The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit of the financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

/s/ Baker Tilly, US, LLP

Minneapolis, Minnesota
November 15, 2024

We served as the Company's auditor from 2013 to 2024.

CLEARFIELD, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	September 30, 2026	September 30, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 29,295	$ 21,493
Short-term investments	79,048	84,484
Accounts receivables, net	20,435	17,991
Inventories, net	37,930	42,031
Prepaid and other current assets	11,017	11,152
Current assets held for sale	-	21,337
Total current assets	177,725	198,488
Property, plant and equipment, net	8,925	9,682
Long-term investments	49,087	59,822
Goodwill	4,709	4,709
Intangible assets, net	7,506	9,353
Right-of-use lease assets	9,283	8,420
Deferred tax asset	9,624	10,263
Other non-current assets	445	608
Non-current assets held for sale	-	4,828
Total assets	$ 267,304	$ 306,173
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of lease liability	$ 2,816	$ 2,823
Accounts payable	6,924	7,028
Accrued compensation	4,823	6,598
Accrued expenses	1,241	2,197
Current liabilities held for sale	-	17,957
Total current liabilities	15,804	36,603
Other liabilities		
Long-term portion of lease liability	6,783	5,934
Non-current liabilities held for sale	-	7,473
Total liabilities	22,587	50,010
Shareholders' equity		
Preferred stock, $0.01 par value; 500,000 shares; no shares issued or outstanding	-	-
Common stock, authorized 50,000,000, $0.01 par value; 13,537,530 and 13,839,675 shares issued and outstanding as of September 30, 2026 and September 30, 2025, respectively	135	138
Additional paid-in capital	136,588	147,382
Accumulated other comprehensive (loss) income	(703)	1,731
Retained earnings	108,697	106,912
Total shareholders' equity	244,717	256,163
Total Liabilities and Shareholders' Equity	$ 267,304	$ 306,173

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CLEARFIELD, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	Year Ended September 30, 2026	Year Ended September 30, 2025	Year Ended September 30, 2024
Net sales	$ 151,939	$ 150,134	$ 125,568
Cost of sales	103,381	99,597	99,721
Gross profit	48,558	50,537	25,847
Operating expenses			
Selling, general and administrative	50,929	48,419	45,081
(Loss) income from continuing operations	(2,371)	2,118	(19,234)
Net investment income	5,726	6,549	7,472
Income (loss) from continuing operations before income taxes	3,355	8,667	(11,762)
Income tax expense (benefit)	1,233	2,357	(3,248)
Income (loss) from continuing operations, net of tax	2,122	6,310	(8,514)
Loss from discontinued operations, net of tax	(337)	(3,947)	(3,939)
Loss from impairment of discontinued operations, net of tax	-	(10,413)	-
Net income (loss)	$ 1,785	$ (8,050)	$ (12,453)
Income (loss) per share			
Basic			
Continuing operations	$ 0.16	$ 0.45	$ (0.58)
Discontinued operations	(0.02)	(1.03)	(0.27)
Basic income (loss) per share	$ 0.14	$ (0.58)	$ (0.85)
Diluted			
Continuing operations	$ 0.16	$ 0.45	$ (0.58)
Discontinued operations	(0.02)	(1.03)	(0.27)
Diluted income (loss) per share	$ 0.14	$ (0.58)	$ (0.85)
Weighted average shares outstanding:			
Basic	13,676,450	13,989,489	14,582,450
Diluted	13,676,450	13,989,489	14,582,450

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CLEARFIELD, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(IN THOUSANDS)

	Year Ended September 30, 2026	Year Ended September 30, 2025	Year Ended September 30, 2024
Comprehensive income (loss):			
Net income (loss)	$ 1,785	$ (8,050)	$ (12,453)
Other comprehensive (loss) income, net of tax			
Unrealized (loss) gain on available-for-sale investments	(761)	(8)	748
Unrealized (loss) gain on foreign currency translation	(1,673)	660	875
Total other comprehensive (loss) income	(2,434)	652	1,623
Total comprehensive loss	$ (649)	$ (7,398)	$ (10,830)

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CLEARFIELD, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)

For the year ended September 30, 2026

	Common Stock		Additional paid-in capital	Accumulated other comprehensive (loss) income	Retained earnings	Total share-holders' equity
	Shares	Amount				
Balance at September 30, 2025	13,840	$ 138	$ 147,382	$ 1,731	$ 106,912	$ 256,163
Stock based compensation expense	-	-	5,144	-	-	5,144
Issuance of common stock under employee stock purchase plan	21	-	513	-	-	513
Issuance of common stock under equity compensation plans, net	205	2	(2)	-	-	-
Repurchase of shares for payment of withholding taxes for vested restricted stock grants	(34)	-	(1,019)	-	-	(1,019)
Exercise of stock options, net of shares exchanged for payment	13	-	(142)	-	-	(142)
Repurchase of common stock	(507)	(5)	(15,288)	-	-	(15,293)
Other comprehensive loss	-	-	-	(2,434)	-	(2,434)
Net income	-	-	-	-	1,785	1,785
Balance at September 30, 2026	13,538	$ 135	$ 136,588	$ (703)	$ 108,697	$ 244,717

For the year ended September 30, 2025

	Common Stock		Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Total share-holders' equity
	Shares	Amount				
Balance as of September 30, 2024	14,229	$ 142	$ 159,580	$ 1,079	$ 114,962	$ 275,763
Stock based compensation expense	-	-	5,039	-	-	5,039
Issuance of common stock under employee stock purchase plan	23	-	595	-	-	595
Issuance of common stock under equity compensation plans, net	112	2	(2)	-	-	-
Repurchase of shares for payment of withholding taxes for vested restricted stock grants	(17)	-	(494)	-	-	(494)
Exercise of stock options, net of shares exchanged for payment	44	-	(689)	-	-	(689)
Repurchase of common stock	(551)	(6)	(16,647)	-	-	(16,653)
Other comprehensive income	-	-	-	652	-	652
Net loss	-	-	-	-	(8,050)	(8,050)
Balance at September 30, 2025	13,840	$ 138	$ 147,382	$ 1,731	$ 106,912	$ 256,163

For the year ended September 30, 2024

	Common Stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings	Total share-holders' equity
	Shares	Amount				
Balance as of September 30, 2023	15,254	$ 153	$ 188,218	$ (544)	$ 127,336	$ 315,163
Stock based compensation expense	-	-	4,641	-	-	4,641
Issuance of common stock under equity compensation plans, net	130	1	(1)	-	-	-
Issuance of common stock under employee stock purchase plan	24	-	586	-	-	586
Exercise of stock options, net of shares exchanged for payment	1	-	(9)	-	-	(9)
Repurchase of shares for payment of withholding taxes for vested restricted stock grants	(16)	-	(493)	-	-	(493)
Repurchase of common stock	(1,164)	(12)	(33,362)	-	-	(33,374)
Adoption of new accounting pronouncement	-	-	-	-	79	79
Other comprehensive income	-	-	-	1,623	-	1,623
Net loss	-	-	-	-	(12,453)	(12,453)
Balance at September 30, 2024	14,229	$ 142	$ 159,580	$ 1,079	$ 114,962	$ 275,763

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	Year Ended September 30, 2026	Year Ended September 30, 2025	Year Ended September 30, 2024
Cash flows from operating activities (continuing)			
Net income (loss)	$ 1,785	$ (8,050)	$ (12,453)
Loss from discontinued operations, net of tax	337	3,947	3,939
Loss from impairment of discontinued operations, net of tax	-	10,413	-
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	6,288	6,121	5,924
(Gain) loss on sale of assets	-	(284)	10
Amortization of premium and discount on investments, net	(311)	(1,777)	(4,406)
Deferred taxes	842	(4,244)	(3,358)
Stock-based compensation	4,649	4,597	4,375
Changes in operating assets and liabilities:			
Accounts receivable	(2,444)	(3,548)	6,473
Inventories, net	4,101	13,643	26,458
Other assets	211	173	(9,456)
Accounts payable and accrued expenses	(2,837)	5,562	264
Net cash provided by operating activities (continuing)	12,621	26,553	17,770
Cash flows from investing activities (continuing)			
Purchases of property, plant and equipment and intangible assets	(3,597)	(4,743)	(7,985)
Proceeds from sale of property and equipment	-	903	45
Purchases of investments	(85,640)	(119,074)	(159,393)
Proceeds from maturities of investments	101,158	115,866	162,064
Cash paid on disposal of business	(1,012)	-	-
Net cash provided by (used in) investing activities (continuing)	10,909	(7,048)	(5,269)
Cash flows from financing activities (continuing)			
Proceeds from issuance of common stock under employee stock purchase plan	513	595	586
Repurchase of shares for payment of withholding taxes for vested restricted stock grants	(1,019)	(494)	(493)
Withholding related to exercise of stock options	(142)	(689)	(9)
Issuance of stock under equity compensation plans	-	-	1
Repurchase of common stock	(15,293)	(16,653)	(33,374)
Net cash used in financing activities (continuing)	(15,941)	(17,241)	(33,289)
Cash flows from discontinued operations			
Net cash provided by operating activities	1,380	2,897	4,453
Net cash used in investing activities	-	(1,796)	(1,627)
Net cash (used in) provided by financing activities	(1,196)	3,000	(3,617)
Net cash provided by (used in) discontinued operations	184	4,101	(791)
Effect of exchange rates on cash and cash equivalents	(13)	(97)	(81)
Net increase (decrease) in cash and cash equivalents	7,760	6,268	(21,660)
Change in cash held for sale	42	1,077	(19)
Cash and cash equivalents, beginning of period	21,493	14,148	35,827
Cash and cash equivalents, end of period	$ 29,295	$ 21,493	$ 14,148
Supplemental disclosures for cash flow information			
Cash (refunded) paid for income taxes, net	$ (1,463)	$ 1,670	$ 160
Right of use assets obtained through lease liabilities	$ 3,553	$ -	$ 4,364
Non-cash financing activities			
Cashless exercise of stock options	$ 2,666	$ 2,533	$ 19

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Description of Business: Clearfield, Inc. (the "Company") manufactures a broad range of fiber connectivity products to customers throughout the United States and internationally. Our continuing operations comprise one operating segment and one reportable segment.

On November 11, 2025, the Company completed the sale of its Nestor Cables business. In connection with this sale, the historical results of the Nestor Cables business and certain assets and liabilities of this business are reported in our consolidated financial statements as held for sale/discontinued operations.

The Company's products include fiber distribution systems, optical components, Outside Plant ("OSP") cabinets, and fiber and copper cable assemblies that serve the communication service provider markets, including Fiber-to-the-Premises ("FTTP"), large enterprise, and original equipment manufacturer ("OEM") markets, as well as the data center market.

Principles of Consolidation: The consolidated financial statements include the accounts of Clearfield, Inc. and its wholly owned subsidiaries through November 11, 2025, the date the Company completed the sale of its Nestor Cables business. Following the disposition, the Company had no subsidiaries requiring consolidation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition: Our revenue is comprised of the sale of our products to customers and is recognized when the Company satisfies its performance obligations under the applicable sales contract. A performance obligation is a promise in a sales contract to transfer a distinct product or service to a customer. Substantially all our sales contracts have a single performance obligation and are short term in nature. For those transactions where all performance obligations will be satisfied within one year or less, we apply the practical expedient outlined in ASC 606-10-32-18, which allows us not to adjust promised consideration for the effects of a significant financing component if we expect at contract inception that the period between when we transfer the promised products to a customer and when the customer pays for those products will be one year or less. We recognize revenue by transferring the promised products to the customer, in an amount that reflects the consideration we expect to receive in exchange for those products and services, with substantially all revenue recognized at the point in time when the customer obtains control of the products upon shipment. Shipping and handling costs charged to our customers are included in net sales, while the corresponding shipping expenses are included in cost of sales. Sales, value add, and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenue) basis.

Cash and Cash Equivalents: The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The following table presents the Company's cash and cash equivalents balances:

(In thousands)	September 30, 2026	September 30, 2025
Cash and cash equivalents:		
Cash, including money market accounts	$ 8,052	$ 5,732
Money market funds	21,243	15,761
Total cash and cash equivalents	$ 29,295	$ 21,493

The Company maintains cash balances at multiple financial institutions, and at times, such balances exceeded insured limits. The Company has not experienced any losses in such accounts.

Investments: The Company invests in United States Treasury ("Treasuries") securities with terms of not more than five years, as well as money market funds. The Company previously invested in FDIC-insured certificates of deposit but we held none as of September 30, 2026. The Company's investment portfolio is classified as available-for-sale. The unrealized gain or loss on investment securities is recorded in other comprehensive income, net of tax. Realized gains and losses on available-for-sale securities are recognized upon sale and are included in net investment income in the consolidated statement of earnings.

Foreign Currency Translation: Balance sheets and statements of earnings of our international subsidiaries are measured using local currency as their functional currency. Assets and liabilities of these operations are translated at the exchange rates in effect at each fiscal year-end. Statements of earnings accounts are translated at the average rates of exchange prevailing during the year. Translation adjustments arising from the use of differing exchange rates from period to period are included as a cumulative translation adjustment in shareholders' equity.

Comprehensive Income (Loss): Total comprehensive income (loss) and the components of accumulated other comprehensive income (loss) are presented in the Consolidated Statements of Comprehensive Income (Loss) and the Consolidated Statements of Shareholders' Equity. Accumulated other comprehensive income (loss) is composed of foreign currency translation effects and unrealized gains and losses on available-for-sale marketable debt securities. We use the individual item approach for releasing income tax effects from accumulated other comprehensive income (loss).

Fair Value of Financial Instruments: The financial statements include the following financial instruments: cash and cash equivalents; investments; accounts receivable; and accounts payable. The Company estimates the fair value of investments as of the balance sheet date. All other financial instruments' carrying values approximate fair values because of the short-term nature of the instruments.

Accounts Receivable: Credit is extended based on the evaluation of a customer's financial condition and collateral is generally not required. Accounts that are outstanding longer than the contractual payment terms are considered past due. The Company measures its allowance for credit losses using the current expected credit loss ("CECL") model, which requires recognition of a lifetime expected credit loss allowance for all accounts receivable. To measure the expected credit losses, accounts receivable are grouped based on shared credit risk characteristics and the days past due. In calculating an allowance for credit losses, the Company uses its historical experience, external indicators, and forward-looking information to calculate expected credit losses using an aging method. The Company assesses impairment of accounts receivable on a collective basis as they possess shared credit risk characteristics which have been grouped based on the days past due. The expected loss rates are based on the Company's historical credit losses experience. The historical loss rates are adjusted to reflect current and forward-looking information. As of September 30, 2026, the Company's allowance for credit losses was $0.

Inventories: Inventories consist of finished goods, raw materials, and work-in-process and are stated at average cost, subject to the lower of cost or net realizable value. Certain components of the Company's inventory classified as raw materials or finished goods can be used as a component to manufacture products or can be sold directly to the customer. Inventory is valued using material costs, labor charges, and allocated factory overhead charges and consists of the following:

(In thousands)	September 30, 2026	September 30, 2025
Raw materials	$ 35,300	37,993
Work-in-process	2,304	2,369
Finished goods	12,830	14,107
Inventories, gross	50,434	54,469
Inventory reserve	(12,504)	(12,438)
Inventories, net	$ 37,930	42,031

On a regular basis, the Company reviews its inventory and identifies that which is excess, slow moving, and obsolete by considering factors such as inventory levels, expected product life, and forecasted sales demand. A reserve is established to write-down the inventory to net realizable value for any identified excess, slow moving, and obsolete inventory through a charge to cost of sales. Inventory write-down charges may be required in the future if there is a significant decline in demand for the Company's products and the Company does not adjust its manufacturing production accordingly, if new products are not accepted by the market, or if products are end of life through life cycle management.

Property, Plant and Equipment: Property, plant and equipment are recorded at cost. Significant additions or improvements extending asset lives are capitalized, while repairs and maintenance are charged to expense when incurred. Depreciation is provided in amounts sufficient to relate the cost of assets to operations over their estimated useful lives. Leasehold improvements are amortized over the shorter of the remaining term of the lease or estimated life of the asset.

Estimated useful lives of the assets are as follows:

	Years
Equipment	3 –15
Leasehold improvements	Shorter of remaining life of lease or 7-10
Vehicles	3

Property, plant and equipment consist of the following:

(In thousands)	September 30, 2026	September 30, 2025
Manufacturing equipment	$ 19,051	$ 17,176
Office equipment	4,710	4,457
Leasehold improvements	6,484	6,259
Vehicles	550	550
Construction in progress	2,655	2,464
Property, plant and equipment, gross	33,450	30,906
Less: Accumulated depreciation	(24,525)	(21,224)
Property, plant and equipment, net	$ 8,925	$ 9,682

Depreciation expense for the years ended September 30, 2026, 2025, and 2024 was $3,810,000, $3,920,000, and $4,528,000, respectively.

Goodwill and Intangible Assets:

Goodwill
Goodwill represents the excess purchase price over the fair value of tangible net assets acquired in acquisitions after amounts have been allocated to intangible assets. Goodwill is tested for impairment annually at fiscal year-end, or more frequently when events or changes in circumstances indicate that the asset might be impaired. Examples of such events or circumstances include, but are not limited to, a significant adverse change in legal or business climate, an adverse regulatory action or unanticipated competition. The Company assesses qualitative factors to determine whether the existence of events or circumstances would indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying amount.

If after assessing the totality of events or circumstances, the Company were to determine that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, then the Company would perform a quantitative test that compares the fair value to its carrying value to determine the amount of any impairment.

If the carrying amount of a reporting unit exceeds its fair value, the Company would measure the possible goodwill impairment loss based on an allocation of the estimate of fair value of the reporting unit to all the underlying assets and liabilities of the reporting unit, including any previously unrecognized intangible assets. The excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. An impairment loss is recognized to the extent that a reporting unit’s recorded goodwill exceeds the implied fair value of goodwill. An impairment loss would be based on significant estimates and judgments, and if the facts and circumstances change, a potential impairment could have a material impact on the Company’s financial statements.

No impairment of the goodwill or intangible assets related to continuing operations has occurred during the years ended September 30, 2026, 2025, and 2024, respectively. Refer to Note 11 for discussion of the discontinued operations and impairment of assets held for sale of the Nestor Cables business.

The changes in the carrying amount of goodwill for fiscal years 2026 and 2025 were as follows:

(In thousands)	Total
Balance as of September 30, 2024	$ 6,627
Currency translation effect on foreign goodwill balances	104
Nestor Cables goodwill impairment	(2,022)
Balance as of September 30, 2025	$ 4,709
Net change in goodwill	-
Balance as of September 30, 2026	$ 4,709

Intangible Assets

In accordance with ASC 350-40, "Internal-use Software," the Company capitalizes certain costs incurred in connection with developing or obtaining internal-use software. Costs incurred in the preliminary project stage are expensed. All direct costs incurred to develop internal-use software during the development stage are capitalized and amortized using the straight-line method over the estimated useful life, generally 2 to 15 years. Costs such as maintenance and training are expensed as incurred. Research and development costs are also expensed as incurred.

The Company capitalizes legal costs incurred to obtain patents. Once accepted by either the U.S. Patent Office or the equivalent office of a foreign country, these legal costs are amortized using the straight-line method over the remaining estimated lives, not exceeding 20 years. As of September 30, 2026, the Company has 70 patents granted and multiple pending applications both inside and outside the United States.

In addition, the Company has various finite life intangible assets, most of which were acquired as a result of the acquisition of a portfolio of the active cabinet products from Calix, Inc. during fiscal year 2018.

Finite life intangible assets as of September 30, 2026, and 2025 are as follows:

		September 30, 2026		
(In thousands)	Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value Amount
Customer relationships	15	$ 3,742	$ 2,152	$ 1,590
Certifications	8	1,068	1,068	-
Trademarks	8-10	563	563	-
Patents	20	1,601	344	1,257
Software	1-10	8,213	3,554	4,659
Totals		$ 15,187	$ 7,681	$ 7,506

		September 30, 2025		
(In thousands)	Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value Amount
Customer relationships	15	$ 3,742	$ 1,902	$ 1,840
Certifications	8	1,068	1,017	51
Trademarks	8-10	563	537	26
Patents	20	1,443	278	1,165
Software	1-10	9,101	2,830	6,271
Totals		$ 15,917	$ 6,564	$ 9,353

Amortization expense related to these assets for the years ended September 30, 2026, 2025, and 2024 was $2,478,000, $2,194,000, and $1,380,000, respectively.

Our future estimated amortization expense for intangibles is as follows as of September 30, 2026:

(In thousands)	Estimated amortization expense
FY 2027	$ 1,296
FY 2028	1,033
FY 2029	922
FY 2030	709
FY 2031	708
Thereafter	2,838
Total	$ 7,506

Impairment of Long-Lived Assets: The Company assesses potential impairments to its long-lived assets or asset groups when there is evidence that events occur or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recovered. An impairment loss is recognized when the carrying amount of the long-lived asset or asset group is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset or asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group.

Any required impairment loss is measured as the amount by which the carrying amount of a long-lived asset or asset group exceeds its fair value and is recorded as a reduction in the carrying value of the related asset or asset group and a charge to operating results. No impairment of the long-lived assets related to continuing operations occurred during the years ended September 30, 2026, 2025, or 2024, respectively. Refer to Note 11 for discussion of the discontinued operations and impairment of assets held for sale of the Nestor Cables business.

Income Taxes: The Company records income taxes in accordance with the liability method of accounting. Deferred taxes are recognized for the estimated taxes ultimately payable or recoverable based on enacted tax law. The Company establishes a valuation allowance to reduce the deferred tax assets when it is more likely than not that a deferred tax asset will not be realizable. Changes in tax rates are reflected in the tax provision as they occur.

In accounting for uncertainty in income taxes, we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. As of September 30, 2026, and 2025, the Company did not have any unrecognized tax benefits. The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. We do not expect any material changes in our unrecognized tax benefits over the next 12 months.

Stock-Based Compensation: We measure and recognize compensation expense for all stock-based awards at fair value over the requisite service period. We use the Black-Scholes option pricing model to determine the fair value of options. For restricted stock and performance share unit grants, fair value is determined as the closing price of the Company's stock on the date of grant. Equity-based compensation expense is recorded between cost of sales and selling, general and administrative expenses based on the classification of the employee. The determination of fair value of stock-based awards on the date of grant using an option-pricing model is affected by our stock price as well as by assumptions regarding a number of subjective variables. These variables include, but are not limited to, the expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors.

The expected terms of the options are based on evaluations of historical and expected future employee exercise behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at grant date. Volatility is based on historical and expected future volatility of the Company's stock. The Company has not historically issued any dividends and does not expect to in the future. Forfeitures for both option and restricted stock grants are estimated at the time of the grant and revised in subsequent periods if actual forfeitures differ from estimates.

If factors change and we employ different assumptions in the determination of the fair value of grants in future periods, the related compensation expense that we record may differ significantly from what we have recorded in the current periods.

Share Repurchase Program: On November 20, 2025, the Company's board of directors increased the Company's share repurchase program from $65,000,000 to $85,000,000 commencing November 28, 2025, and continuing for an indefinite period or until terminated by the board of directors. During the year ended September 30, 2026, the Company repurchased 506,893 shares for approximately $15,179,000. As of September 30, 2026, we have repurchased an aggregate of 2,787,439 shares for approximately $71,786,000 leaving approximately $13,214,000 available within our $85,000,000 stock repurchase program. The repurchase program does not obligate the Company to repurchase any particular amount of common stock during any period. The repurchases will be funded by cash on hand.

The Company is authorized to issue 50,000,000 shares of common stock at $0.01 par value and 5,000,000 undesignated shares. From the undesignated shares, 500,000 shares have been designated as Series B Junior Participating Preferred Shares and none of such shares have been issued or are outstanding. The board of directors may, by resolution, establish from the remaining undesignated shares different classes or series of shares and may fix the relative rights and preferences of shares in any class or series.

Research and Development Costs: Research and development costs were $2,065,000, $2,422,000, and $3,000,000 for the years ended September 30, 2026, 2025, and 2024, respectively, and are charged to expense when incurred.

Advertising Costs: Advertising costs were $448,000, $355,000, and $464,000 for the years ended September 30, 2026, 2025, and 2024, respectively, and are charged to expense when incurred.

Earnings (Loss) Per Share: Basic and diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding and the weighted average number of dilutive shares outstanding, respectively.

Weighted average common shares outstanding for the years ended September 30, 2026, 2025, and 2024 were as follows:

Year ended September 30, (*In thousands, except share and per share data*)	2026	2025	2024
Net income (loss)	$ 1,785	$ (8,050)	$ (12,453)
Net income (loss) from continuing operations	2,122	6,310	(8,514)
Weighted average common shares	13,676,450	13,989,489	14,582,450
Dilutive potential common shares	-	-	-
Weighted average dilutive common shares outstanding	13,676,450	13,989,489	14,582,450
Earnings (loss) per share:			
Basic			
Continuing operations	$ 0.16	$ 0.45	$ (0.58)
Discontinued operations	(0.02)	(1.03)	(0.27)
Basic earnings (loss) per share	$ 0.14	$ (0.58)	$ (0.85)
Diluted			
Continuing operations	$ 0.16	$ 0.45	$ (0.58)
Discontinued operations	(0.02)	(1.03)	(0.27)
Diluted earnings (loss) per share	$ 0.14	$ (0.58)	$ (0.85)

For the fiscal year ended September 30, 2026, 176,983 stock options were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive. Additionally, for the fiscal year ended September 30, 2026, 69,117 performance stock units were not included in the computation of diluted earnings per share, because the fiscal year 2026 performance conditions were not achieved. For the fiscal year ended September 30, 2025, 366,118 stock options, as well as 50,747 performance stock units with fiscal year 2025 performance conditions were not included in the computation of diluted loss per share because the effect would have been anti-dilutive. For the fiscal year ended September 30, 2024, 364,104 stock options were not included in the computation of diluted loss per share because the effect would have been anti-dilutive.

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related revenues and expenses and disclosure about contingent assets and liabilities at the date of the financial statements. Significant estimates include the rebates related to revenue recognition, stock-based compensation and the valuation of inventory, long-lived assets, finite lived intangible assets and goodwill. Actual results may differ materially from these estimates.

Recently Adopted Accounting Pronouncements: In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*. The amended guidance requires additional disaggregated information in effective tax rate reconciliation disclosures and additional disaggregated information about income taxes paid. The Company adopted this updated standard for the year ended September 30, 2026, on a prospective basis. The adoption of this updated standard did not have an impact on our consolidated financial position or operating results. See Note 6 to the consolidated financial statements for further details.

New Accounting Pronouncements Not Yet Adopted: In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU No. 2024-03 addresses the disaggregation of income statement expenses and aims to provide more detailed information about the types of expenses included in commonly presented expense captions, such as cost of sales, selling, general, and administrative expenses (SG&A), and research and development. ASU 2024-03 can be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The Company is evaluating the impact of this standard on our financial statements and related disclosures, including the Company's adoption approach for ASU 2024-03 and anticipates adopting the standard for the annual period starting October 1, 2027.

In September 2025, the FASB issued ASU No. 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*. The ASU replaces the current stage-based capitalization model with a principles-based approach that permits capitalization of internal-use software costs once (1) management has authorized and committed to fund the project and (2) it is probable the project will be completed and the software will function as intended. Costs incurred while significant development uncertainty exists must be expensed as incurred. ASU 2025-06 can be applied prospectively, retrospectively, or using a modified retrospective approach. The Company is evaluating the impact of this standard on our financial statements and related disclosures, including the Company's adoption approach for ASU 2025-06 and anticipates adopting the standard for the annual period starting October 1, 2028.

Note 2. Stock Based Compensation

Stock-Based Compensation: The Company's stock-based compensation plans are administered by the Compensation Committee of the board of directors, which selects persons to receive awards and determines the number of shares subject to each award and the terms, conditions, performance measures and other provisions of the award.

On February 23, 2023, the Company's shareholders approved the Clearfield, Inc. 2022 Stock Compensation Plan (the "2022 Plan"). The 2022 Plan became effective on the date of shareholder approval, and no further awards may be made under the Clearfield, Inc. Amended and Restated 2007 Stock Compensation Plan (the "Prior Plan") following the effective date of the 2022 Plan. The total number of shares of stock reserved and available for distribution under the 2022 Plan upon approval was 1,461,461 shares, which includes the number of shares remaining for grant and delivery under the Prior Plan, plus any shares subject to outstanding awards under the Prior Plan as of the effective date of the 2022 Plan that were forfeited, cancelled, or settled for cash.

The Company recorded related compensation expense for the years ended September 30, 2026, 2025, and 2024 of $4,649,000, $4,597,000, and $4,375,000, respectively. For the year ended September 30, 2026, $4,497,000 of this expense was included in selling, general and administrative expense and $152,000 was included in cost of sales. For the year ended September 30, 2025, $4,434,000 of this expense was included in selling, general and administrative expense and $163,000 was included in cost of sales. For the year ended September 30, 2024, $4,191,000 of this expense was included in selling, general and administrative expense and $184,000 was included in cost of sales. As of September 30, 2026, $5,103,000 of total unrecognized compensation expense related to non-vested awards is expected to be recognized over a period of approximately 2.1 years.

Stock Options: The Company uses the Black-Scholes option pricing model to determine the fair value of options granted. During the fiscal year ended September 30, 2026, the Company did not grant any employees non-qualified stock options. During the fiscal year ended September 30, 2025, the Company granted employees non-qualified stock options to purchase an aggregate of 38,198 shares of common stock with a weighted average contractual term of five years, a weighted average three-year vesting term, and a weighted average exercise price of $30.90. During the fiscal year ended September 30, 2024, the Company granted employees non-qualified stock options to purchase an aggregate of 118,706 shares of common stock with a weighted average contractual term of five years, a weighted average three-year vesting term, and a weighted average exercise price of $26.84.

The fair value of stock option awards during the years ended September 30, 2026, 2025, and 2024 was estimated as of the respective grant dates using the assumptions listed below:

	Year ended September 30, 2026	Year ended September 30, 2025	Year ended September 30, 2024
Dividend yield	N/A	0%	0%
Weighted average expected volatility	N/A	58.07%	61.66%
Weighted average risk-free interest rate	N/A	4.20%	4.55%
Weighted average expected life (years)	N/A	5	5
Vesting period (years)	N/A	3	3

The expected stock price volatility is based on the historical volatility of the Company's stock for a period approximating the expected life. The expected life represents the period of time that options are expected to be outstanding after their grant date. The risk-free interest rate reflects the interest rate at grant date on zero-coupon U.S. governmental bonds having a remaining life similar to the expected option term.

Options are generally granted at fair market values determined on the date of grant and vesting normally occurs over a three to five-year period. The maximum contractual term is normally five years. Shares issued upon exercise of a stock option are issued from the Company's authorized but unissued shares. There were 112,489 options vested during the year ended September 30, 2026, 94,426 options vested during the year ended September 30, 2025, and 90,245 options vested during the year ended September 30, 2024. For the year ended September 30, 2026, there were 97,404 stock options that were exercised using a cashless method of exercise. For the year ended September 30, 2025, there were 138,562 stock options that were exercised using a cashless method of exercise. For the year ended September 30, 2024, there were 1,501 stock options that were exercised using a cashless method of exercise. The intrinsic value of options exercised during the years ended September 30, 2026, 2025, and 2024 was $619,000, $2,220,000, and $25,000, respectively.

Option transactions under the 2022 Plan during the years ended September 30, 2026, 2025, and 2024 are summarized as follows:

	Number of shares	Weighted average exercise price	Weighted average fair value	Weighted average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Outstanding as of September 30, 2023	254,124	$ 37.04			
Granted	118,706	26.84	$ 12.96		
Exercised	(1,501)	12.40			
Forfeited and expired	(4,345)	38.13			
Outstanding as of September 30, 2024	366,984	$ 33.83			
Granted	38,198	30.90	$ 14.10		
Exercised	(138,562)	18.28			
Forfeited and expired	(5,155)	51.11			
Outstanding as of September 30, 2025	261,465	$ 41.30			
Granted	-	-	N/A		
Exercised	(97,404)	27.37			
Forfeited and expired	(52,304)	45.33			
Outstanding as of September 30, 2026	111,757	$ 51.54		1.23	$ 5,760
Exercisable as of September 30, 2026	94,945	$ 56.03		1.07	$ 136

Restricted Stock: The 2022 Plan permits, and the Prior Plan permitted, the Compensation Committee of the board of directors to grant stock-based awards, including stock options and restricted stock, to key employees and non-employee directors. The Company has made restricted stock grants that vest over one to ten years.

Restricted stock transactions during the years ended September 30, 2026, 2025, and 2024 are summarized as follows:

	Number of shares	Weighted average grant date fair value
Unvested shares as of September 30, 2023	90,575	$ 49.92
Granted	137,928	26.65
Vested	(58,559)	39.60
Forfeited	(7,737)	27.84
Unvested shares as of September 30, 2024	162,207	$ 34.91
Granted	122,577	31.12
Vested	(71,691)	57.35
Forfeited	(10,908)	26.99
Unvested shares as of September 30, 2025	202,185	$ 27.64
Granted	168,978	29.58
Vested	(98,582)	46.70
Performance stock units settled into restricted stock	33,834	30.90
Forfeited	(15,129)	29.49
Unvested shares as of September 30, 2026	291,286	$ 22.70

The vesting date fair value of restricted shares vested during the years ended September 30, 2026, 2025, and 2024 was $3,543,000, $2,089,000, and $1,796,000, respectively. The Company repurchased a total of 33,785 shares of our common stock at an average price of $30.18 in connection with payment of taxes upon the vesting of restricted stock previously issued to employees for the year ended September 30, 2026. The Company repurchased a total of 17,497 shares of our common stock at an average price of $28.27 in connection with payment of taxes upon the vesting of restricted stock previously issued to employees for the year ended September 30, 2025. The Company repurchased a total of 15,879 shares of our common stock at an average price of $31.05 in connection with payment of taxes upon the vesting of restricted stock previously issued to employees for the year ended September 30, 2024.

Performance Stock Units: During the fiscal year ended September 30, 2026, the Company granted 69,117 performance stock units which entitle the participant to receive one share of the Company's common stock for each performance stock unit awarded, subject to the achievement of fiscal year 2026 performance goals. Achievement of the goals can result in 50% to 150% of the shares being awarded, with two-thirds of the shares earned being issued as stock subject to restrictions on transfer that will lapse in equal amounts on the first two anniversaries of the settlement date. The Company has determined the fair value per underlying share of the performance stock unit awards to be $29.36 as of the grant date. The fair value of these performance stock unit awards is based on the closing market price of the Company's common stock on the grant date and is recognized as compensation expense over the vesting period based on the probable number of awards to vest at each reporting date. As of September 30, 2026, the Company determined that the fiscal year 2026 performance goal was not achieved and, accordingly, no compensation expense was recognized for these awards during the year.

During the fiscal year ended September 30, 2025, the Company granted 50,747 performance stock units which entitled the participant to receive one share of the Company's common stock for each performance stock unit awarded, subject to the achievement of fiscal year 2025 performance goals. Achievement of the goals entitled the participant to receive 50%, 100%, or 150% of the shares being awarded, with two-thirds of the shares earned being issued as stock subject to restrictions on transfer that will lapse in equal amounts on the first two anniversaries of the settlement date. The grant date fair value of the performance stock unit awards was $30.90 per share, based on the closing market price of our common stock on the grant date. During the fiscal year ended September 30, 2026, the Company certified the fiscal year 2025 performance goals, which resulted in a payout percentage of 100%. Of the 50,747 performance stock units earned, 16,913 shares of the Company's common stock vested at settlement and 33,834 performance stock units were settled into restricted stock subject to restrictions on transfer that will lapse in equal amounts on the first two anniversaries of the settlement date.

During the fiscal year ended September 30, 2024, the Company granted 47,745 performance stock units which entitled the participant to receive one share of the Company's common stock for each performance stock unit awarded, subject to achievement of a fiscal year 2024 performance goal. The Company determined the fair value per underlying share of the performance stock unit awards was $26.18 as of the grant date. The fiscal year 2024 performance goal was not achieved, and the performance share units were not earned. Accordingly, no stock-based compensation expense was recognized related to these awards for the year ended September 30, 2024.

Performance stock unit transactions during the years ended September 30, 2026, 2025, and 2024 are summarized as follows:

	Number of shares	Weighted average grant date fair value
Unvested shares as of September 30, 2023	-	-
Granted	47,745	26.18
Vested	-	-
Forfeited	-	-
Unvested shares as of September 30, 2024	47,745	26.18
Granted	50,747	30.90
Vested	-	-
Forfeited	(47,745)	26.18
Unvested shares as of September 30, 2025	50,747	$ 30.90
Granted	69,117	29.36
Vested	(16,913)	30.90
Performance stock units settled into restricted stock	(33,834)	30.90
Forfeited	-	-
Unvested as of September 30, 2026	69,117	$ 29.36

Employee Stock Purchase Plan: The Clearfield, Inc. 2010 Employee Stock Purchase Plan ("ESPP") allows participating employees to purchase shares of the Company's common stock at a discount through payroll deductions. The ESPP is available to all employees subject to certain eligibility requirements. Terms of the ESPP provide that participating employees may purchase the Company's common stock on a voluntary after-tax basis. Employees may purchase the Company's common stock at a price that is no less than the lower of 85% of the fair market value of one share of common stock at the beginning or end of each stock purchase period or phase. The ESPP is carried out in six-month phases, with phases beginning on January 1 and July 1 of each calendar year. For the phase that ended on December 31, 2025, employees purchased 9,668 shares at a price of $24.78 per share. For the phase that ended on June 30, 2026, employees purchased 11,032 shares at a price of $24.78 per share. After the employee purchase on June 30, 2026, 101,253 shares of common stock were available for future purchase under the ESPP.

Note 3. Investments

The Company invests in Treasuries with terms of not more than five years, as well as money market funds. The Company previously invested in FDIC-insured certificates of deposit but we held none as of September 30, 2026. The Company's investments are classified as available for sale. The unrealized gain or loss on investment securities is recorded in other comprehensive income (loss), net of tax. Realized gains and losses on available-for-sale securities are recognized upon sale and are included in net investment income in the consolidated statement of earnings. The Company did not sell investment securities during the years ended September 30, 2026, 2025 or 2024.

As of September 30, 2026, available-for-sale investments consisted of the following:

	September 30, 2026			
(In thousands)	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Short-Term				
U.S treasury securities	$ 79,335	$ -	$ (287)	$ 79,048
Investment securities – short-term	$ 79,335	$ -	$ (287)	$ 79,048
Long-Term				
U.S treasury securities	$ 49,691	$ -	$ (604)	$ 49,087
Investment securities – long-term	$ 49,691	$ -	$ (604)	$ 49,087

As of September 30, 2025, available-for-sale investments consisted of the following:

	September 30, 2025			
(In thousands)	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Short-Term				
U.S treasury securities	$ 84,192	$ 119	$ (70)	$ 84,241
Certificates of deposit	248	-	(5)	243
Investment securities – short-term	$ 84,440	$ 119	$ (75)	$ 84,484
Long-Term				
U.S treasury securities	$ 59,794	$ 62	$ (34)	$ 59,822
Investment securities – long-term	$ 59,794	$ 62	$ (34)	$ 59,822

As of September 30, 2026, investments in debt securities in an unrealized loss position were as follows:

	In Unrealized Loss Position For Less Than 12 Months		In Unrealized Loss Position For Greater Than 12 Months	
(In thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S treasury securities	$ 128,135	$ (891)	$ -	$ -
Investment securities	$ 128,135	$ (891)	$ -	$ -

As of September 30, 2025, investments in debt securities in an unrealized loss position were as follows:

	In Unrealized Loss Position For Less Than 12 Months		In Unrealized Loss Position For Greater Than 12 Months	
(In thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S treasury securities	$ 40,330	$ (36)	$ 24,380	$ (68)
Certificates of deposit	-	-	243	(5)
Investment securities	$ 40,330	$ (36)	$ 24,623	$ (73)

As of September 30, 2026, and 2025, there were seven and six securities, respectively, in an unrealized loss position. These unrealized losses were primarily attributable to market interest rates exceeding the yields on the securities at the respective reporting dates. As of September 30, 2026, there are no securities which are other than temporarily impaired as the Company intends to hold these securities until their value recovers and there is negligible credit risk due to the nature of the securities which are backed by the FDIC and U.S. federal government. The Company had no allowance for credit losses on investments for the year ended September 30, 2026.

Note 4. Fair Value Measurements

The Company determines the fair value of its assets and liabilities based on the market price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company determines the fair value of Treasuries and CDs based on valuations provided by an external pricing service, which obtains them from a variety of industry standard data providers.

The Company's investments are categorized according to the three-level fair value hierarchy which distinguishes between observable and unobservable inputs, in one of the following levels:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs to the valuation methodology that are supported by little or no market activity and that are significant to the measurement of the fair value of the assets or liabilities. Level 3 assets and liabilities include those with fair value measurements that are determined using pricing models, discounted cash flow valuation or similar techniques, as well as significant management judgment or estimation.

The following provides information regarding fair value measurements for the Company's investment securities as of September 30, 2026, according to the three-level fair value hierarchy:

	Fair Value Measurements as of September 30, 2026			
(*In thousands*)	Total	Level 1	Level 2	Level 3
Cash equivalents:				
Money market funds	$ 21,243	$ 21,243	$ -	$ -
Total cash equivalents	$ 21,243	$ 21,243	$ -	$ -
Investment securities:				
U.S. Treasury securities	$ 128,135	$ -	$ 128,135	$ -
Total investment securities	$ 128,135	$ -	$ 128,135	$ -

During the year ended September 30, 2026, we owned no Level 3 securities and there were no transfers within the fair value level hierarchy.

Non-financial assets such as equipment and leasehold improvements, goodwill and intangible assets and right-of-use assets for operating leases are subject to non-recurring fair value measurements if they are deemed impaired. We had no re-measurements of non-financial assets to fair value in the years ended September 30, 2026, 2025 and 2024, except as disclosed in Note 11 related to the impairment of goodwill and long-lived assets of the Nestor Cables business.

The following provides information regarding fair value measurements for the Company's investment securities as of September 30, 2025, according to the three-level fair value hierarchy:

(*In thousands*)	Fair Value Measurements as of September 30, 2025			
	Total	Level 1	Level 2	Level 3
Cash equivalents:				
Money market funds	$ 15,761	$ 15,761	$ -	$ -
Total cash equivalents	$ 15,761	$ 15,761	$ -	$ -
Investment securities:				
U.S. Treasury securities	$ 144,063	$ -	$ 144,063	$ -
Certificates of deposit	243	-	243	-
Total investment securities	$ 144,306	$ -	$ 144,306	$ -

Note 5. Other Comprehensive Income (Loss)

Changes in components of other comprehensive income (loss), net of tax, are as follows:

(In thousands)	Available-for-Sale Securities	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
Balances at September 30, 2024	$ 66	$ 1,013	$ 1,079
Other comprehensive (loss) income for the twelve months ended September 30, 2025	(8)	660	652
Balances at September 30, 2025	$ 58	$ 1,673	$ 1,731
Other comprehensive (loss) for the twelve months ended September 30, 2026	(761)	(1,673)	(2,434)
Balances at September 30, 2026	$ (703)	$ -	$ (703)

Note 6. Income Taxes

For the fiscal years ended September 30, 2026, 2025, and 2024, the Company's income (loss) from continuing operations before income taxes was $3,355,000, $8,667,000, and $(11,762,000), respectively, all of which was domestic. Income tax expense (benefit) from continuing operations consists entirely of U.S. federal and state income taxes. The Company had no foreign operations and, accordingly, no foreign income tax expense (benefit). Components of income tax expense (benefit) from continuing operations were as follows for the years ended:

(*In thousands*)	September 30, 2026	September 30, 2025	September 30, 2024
Current:			
Federal	$ -	$ -	$ 385
State	52	80	(114)
Current income tax expense	52	80	271
Deferred:			
Federal	1,169	1,710	(3,092)
State	12	567	(427)
Deferred income tax expense (benefit)	1,181	2,277	(3,519)
Income tax expense (benefit)	$ 1,233	$ 2,357	$ (3,248)

The following is a reconciliation of the federal statutory tax rate to the effective tax rate by amount and as a percent of income from continuing operations before income taxes for the year ended:

	September 30, 2026	
(*Dollars in thousands*)	Amount	Percent
U.S. federal statutory rate	$ 705	21.0%
State and local taxes, net of federal taxes (1)	47	1.4%
Tax credits		
Research and development credits	(63)	(1.9%)
Nontaxable or nondeductible items		
Meals and entertainment	155	4.6%
Excess tax benefits from stock-based compensation	80	2.4%
Section 162(m) limitation on officer's compensation	74	2.2%
Other	34	1.0%
Changes in valuation allowances	47	1.4%
Other adjustments		
Deferred tax rate change	177	5.3%
Other	(23)	(0.6%)
Effective tax rate	$ 1,233	36.8%

(1) State taxes in Minnesota, North Carolina, Pennsylvania, and Texas made up a majority (greater than 50 percent) of the tax effect in this category.

The following is a reconciliation of the federal statutory tax rate to the effective tax rate as a percent of income (loss) from continuing operations before income taxes for the years ended:

	September 30, 2025	September 30, 2024
U.S. federal statutory rate	21.0%	21.0%
State and local taxes, net of federal taxes	2.6%	6.6%
Permanent differences	1.3%	0.0%
Research and development credits	0.6%	1.1%
Section 162(m) limitation on officer's compensation	2.7%	0.0%
Excess tax benefits from stock-based compensation	(1.1%)	(1.1%)
Effective tax rate	27.2%	27.6%

As of September 30, 2026, the current U.S. income tax receivable was approximately $48,000. This amount is included in prepaid and other current assets in the Company's consolidated balance sheet.

As of September 30, 2026 and 2025, the Company had a gross U.S. federal net operating loss ("NOL") carryforward of $18,529,000 and $681,000, respectively. The federal NOLs do not expire and can be carried forward indefinitely. As of September 30, 2026 and 2025, the Company had a gross state NOL of $13,805,000 and $3,700,000, respectively. The state NOLs expire at varying amounts starting in 2040. As of September 30, 2026, the Company recorded a valuation allowance of $51,000 against deferred tax assets related to state NOLs in certain states where it is not more likely than not that they will be realized. The Company believes it is more likely than not that the remaining deferred tax assets related to U.S. federal and state NOLs will be realized, and therefore, a valuation allowance on these remaining deferred tax assets has not been recorded. As of September 30, 2025, no valuation allowance was recorded because the Company determined it was more likely than not that its deferred tax assets would be realized. In addition, as of September 30, 2026, and 2025, the Company had Minnesota research and development tax credits of $387,000 and $360,000, respectively. The Company had federal research and development tax credits of $124,000 and $106,000 as of September 30, 2026 and 2025, respectively. The Company has not recorded a valuation allowance on these research and development related deferred tax assets as the Company believes it is more likely than not they will be utilized before they begin to expire in fiscal year 2037.

Income tax payments by jurisdiction, net of refunds, were as follows for the year ended:

(*In thousands*)	September 30, 2026
Federal	$ (1,456)
State	(7)
Total income taxes (refunded) paid	$ (1,463)

Significant components of deferred income tax assets and liabilities were as follows for the years ended:

(In thousands)	September 30, 2026	September 30, 2025
Inventories	$ 3,444	$ 3,521
R&D expenses	1,002	1,558
Stock-based compensation	1,269	1,223
Investment in foreign subsidiary	-	4,802
Accrued expenses and reserves	444	582
Property and equipment depreciation	663	654
Net operating loss carry forwards and credits	5,043	804
Other	190	-
Total deferred tax asset	$ 12,055	$ 13,144
Goodwill	(871)	(906)
Prepaid expenses	(359)	(284)
Intangibles	(1,150)	(1,332)
Foreign currency translation gain	-	(359)
Total deferred tax liability	$ (2,380)	$ (2,881)
Valuation allowance	(51)	-
Net deferred tax asset	$ 9,624	$ 10,263

Realization of NOL carryforwards and other deferred tax temporary differences are contingent upon future taxable earnings. The Company's deferred tax assets were reviewed for expected utilization by assessing the available positive and negative factors surrounding their recoverability.

The Company is required to recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company applies the interpretation to all tax positions for which the statute of limitations remained open. The Company had no liability for unrecognized tax benefits and did not recognize any interest or penalties during the years ended September 30, 2026, or 2025.

The Company is subject to income taxes in the U.S. federal and various state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. Clearfield, Inc. is generally subject to U.S. federal and state examination for all tax years after 2021.

Note 7. Concentrations

Suppliers: The Company purchases critical components for our products, including injection molded parts and connectors from third parties, some of whom are single- or limited-source suppliers. If any of our suppliers are unable to ship critical components, we may be unable to manufacture and ship products to our distributors or customers. If the price of these components increases for any reason, or if these suppliers are unable or unwilling to deliver, we may have to find another source, which could result in interruptions, increased costs, delays, loss of sales and quality control problems.

Customers: For the fiscal year ended September 30, 2026, the Company had two customers, Customer A and Customer B, which accounted for approximately 13% and 12% of net sales, respectively. These customers are distributors. For the fiscal year ended September 30, 2025, Customer A and Customer B accounted for approximately 18% and 13% of net sales, respectively. For the fiscal year ended September 30, 2024, Customer A and Customer B accounted for approximately 20% and 15% of net sales, respectively. These major customers, like our other customers, purchase our products from time to time through purchase orders, and we do not have any agreements that obligate these major customers to purchase products in the future from us.

As of September 30, 2026, the Company had one customer, Customer C, which accounted for approximately 15% of accounts receivable. As of September 30, 2025, Customer B and Customer A accounted for approximately 17% and 11% of accounts receivable, respectively.

Disaggregation of Revenue: The Company allocates sales from external customers to geographic areas based on the location to which the product is transported. Sales outside the United States are principally to customers in Canada, the Caribbean, Central/South America and Mexico.

Revenues related to the following geographic areas were as follows for each of the last three fiscal years:

(In thousands)	Year Ended September 30,		
	2026	2025	2024
United States	$ 146,932	144,895	122,483
All other countries	5,007	5,239	3,085
Total net sales	$ 151,939	150,134	125,568

The Company sells its products to the Broadband Service Provider and Data Center marketplace. Broadband Service Providers are made up of Community Broadband, which includes local and regional telecom companies, utilities, municipalities and alternative carriers, also referred to as Tier 2 and Tier 3 customers; National Carriers, which includes large national and global wireline and wireless providers, also referred to as Tier 1 customers; Large Regional Service Providers with a national footprint; Multiple System Operators ("MSOs"), which include cable television companies; and international customers. In addition, the Company's Legacy market is made up of services for original equipment manufacturers requiring copper and fiber cable assemblies built to their specification as well as other miscellaneous sales. The Company's Legacy product line was sold in the fourth quarter of fiscal 2025.

The percentages of our sales by these markets were as follows for each of the last three fiscal years:

	Year Ended September 30,		
	2026	2025	2024
Broadband service providers	100%	98%	98%
Other customers	0%	2%	2%
Total net sales	100%	100%	100%

Long-Lived Assets: As of September 30, 2026, and 2025, the Company had property, plant, and equipment with a net book value of $3,549,000 and $4,507,000, respectively, located in Mexico. All other property, plant, and equipment is located within the United States.

Note 8. Employee Benefit Plan

Clearfield, Inc. maintains a contributory 401(k) profit sharing benefit plan, whereby eligible employees may contribute a portion of their earnings, not to exceed annual amounts allowed under the Internal Revenue Code. The Company matched 100% of the first 3% and 50% of the next 3% of the participant's eligible compensation that was contributed by the participant. The Company's contributions under this plan were $1,135,000, $1,110,000, and $1,087,000 for the years ended September 30, 2026, 2025 and 2024, respectively.

Note 9. Leases

The Company leases an approximately 85,000 square foot facility at 7050 Winnetka Avenue North, Brooklyn Park, Minnesota consisting of corporate offices, manufacturing, and warehouse space. The original lease term was ten years and two months, ending on February 28, 2025, with a renewal option. In April 2024, the Company exercised the renewal option, which extended the lease term three additional years to end on February 29, 2028. The exercise of the renewal option added a right of use asset and corresponding lease liability of $1,337,000 upon lease commencement.

The Company indirectly leases an approximately 318,000 square foot manufacturing facility in Tijuana, Mexico that operates as a Maquiladora. The lease commenced in April 2024, and has a term of seven years, of which five years are mandatory. The lease contains two options to extend the term of the lease for additional periods of five years each. The lease calls for monthly base rental payments of approximately $169,000, increasing 2% annually. The renewal options have not been included within the lease term because it is not reasonably certain that the Company will exercise either option.

The Company leases an approximately 105,000 square foot warehouse and manufacturing facility in Brooklyn Park, Minnesota. The original lease term was five years, ending on February 28, 2027, with a renewal option. In March 2026, the Company exercised the renewal option, which extended the term of the lease for an additional period of 61 months to end on April 30, 2032. The exercise of the renewal option resulted in an increase to the right-of-use asset and corresponding liability of $3,553,000 upon lease commencement.

Right-of-use lease assets and lease liabilities are recognized as of the commencement date based on the present value of the remaining lease payments over the lease term which includes renewal periods we are reasonably certain to exercise. Our leases do not contain any material residual value guarantees or material restrictive covenants.

Operating lease expense included within cost of sales and selling, general and administrative expense was as follows:

(In thousands) Operating lease expense under ASC 842, *Leases,* within:	Year ended September 30, 2026	Year ended September 30, 2025	Year ended September 30, 2024
Cost of sales	$ 3,438	$ 3,412	$ 3,198
Selling, general and administrative	270	287	265
Total lease expense	$ 3,708	$ 3,699	$ 3,463

Future maturities of lease liabilities were as follows as of September 30, 2026:

(In thousands)	Operating Leases
FY 2027	$ 3,401
FY 2028	3,222
FY 2029	1,942
FY 2030	876
FY 2031	906
Thereafter	541
Total lease payments	10,888
Less: Interest	(1,289)
Present value of lease liabilities	$ 9,599

As of September 30, 2026, the weighted average term and weighted average discount rate for our leases were 3.69 years and 7.10%, respectively. As of September 30, 2025, the weighted average term and weighted average discount rate for our leases were 3.10 years and 7.42%, respectively. As of September 30, 2024, the weighted average term and weighted average discount rate for our leases were 4.04 years and 7.28%, respectively. For the years ended September 30, 2026, 2025, and 2024, the operating cash outflows from our leases were $3,383,000, $3,305,000, and $3,233,000, respectively.

Note 10. Debt

On April 27, 2022, the Company entered into a loan agreement and a security agreement with a bank that provides the Company with a $40,000,000 revolving line of credit that is secured by certain of the Company's U.S. assets. The original maturity date of the line of credit was April 27, 2025. Borrowed amounts bear interest at a variable rate of the CME Group one-month term Secured Overnight Financing Rate ("SOFR") plus 1.85%, but not less than 1.80% per annum. As of September 30, 2026, the interest rate was 5.53%. The loan agreement and the security agreement contain customary affirmative and negative covenants and requirements relating to the Company and its operations. On August 5, 2024, the Company entered into an amendment to the loan agreement that, among other things, (i) eliminated the requirement that the Company maintain a debt service coverage ratio of not less than 1.20 to 1 as of the end of each fiscal year for the fiscal year then ended and that the Company maintain a debt to cash flow ratio of not greater than 2 to 1 measured as of the end of each of the Company's fiscal quarters for the trailing 12 month period; (ii) added a requirement that the Company maintain accounts with the bank with a minimum aggregate liquidity of unrestricted and unencumbered cash and cash equivalents at all times of not less than the outstanding principal balance of the Company's revolving credit promissory note payable to the bank; and (iii) waived the Company's compliance with the debt to cash flow ratio for the fiscal quarter ended June 30, 2024.

On April 25, 2025, the Company entered into an amendment to the loan agreement that extended the maturity of the line of credit from April 27, 2025, to April 25, 2026. On April 25, 2026, the Company entered into an amendment to the loan agreement that, among other things, (i) extended the maturity of the line of credit from April 25, 2026, to July 24, 2026, (ii) incorporated updated interest and payment provisions into the loan agreement that had previously been included in the promissory note issued under the loan agreement, (iii) added several events that constitute a default under the loan agreement, and (iv) added a jury trial waiver for any judicial proceedings in which the parties are involved which arise out of or are related to the loan agreement. On July 24, 2026, the Company entered into an amendment to the loan agreement that extended the maturity of the line of credit from July 24, 2026, to November 21, 2026.

As of September 30, 2026, 2025 and 2024, the Company had no borrowings against this line of credit. As of September 30, 2026, 2025, and 2024, the Company was in compliance with all applicable covenants. The line of credit is collateralized by the Company's assets of $267,304,000 as of September 30, 2026.

Note 11. Assets Held for Sale and Discontinued Operations

During the fourth quarter of fiscal year 2025, the Company committed to a plan to sell its Nestor Cables business. As of September 30, 2025, the criteria for classification as held for sale under ASC 205-20 were met. Accordingly, the assets and liabilities of the Nestor Cables business have been classified as held for sale in the Company's consolidated balance sheets as of September 30, 2025. On November 11, 2025, the Company completed the sale of its Nestor Cables business for cash proceeds of $1 and the contribution from the Company to Nestor Cables of $5,785,000 in inter-company receivables owed to the Company by Nestor Cables. The historical results of the Nestor Cables business are reported as discontinued operations in the Company's consolidated financial statements.

Upon classification as held for sale, the Nestor Cables disposal group was measured at the lower of its carrying amount or fair value less costs to sell. Fair value was primarily based on the estimated selling price derived from a negotiated purchase agreement with a third-party buyer, adjusted for estimated transaction costs. The fair value measurement utilized Level 2 inputs within the fair value hierarchy under ASC 820. As the carrying amount of the disposal group exceeded its estimated fair value less costs to sell, the Company recorded a total impairment charge of $16,589,000, which includes $1,489,000 of estimated transaction costs, for the three months ended September 30, 2025. The estimated transaction costs are recorded as a contra asset within the Company's consolidated balance sheets. The total impairment charge was also comprised of $2,022,000 related to the impairment of goodwill and $13,078,000 related to the impairment of the long-lived assets of the disposal group. The total impairment charge, inclusive of estimated transaction costs, is reflected within Loss from impairment of discontinued operations before income taxes in the consolidated statements of earnings for the year ended September 30, 2025. No additional impairment was recorded during the year ended September 30, 2026.

The following table summarizes the results of discontinued operations for each of the last three fiscal years:

(In thousands)	Year Ended September 30, 2026	Year Ended September 30, 2025	Year Ended September 30, 2024
Net sales	$ 4,012	$ 32,831	$ 41,137
Cost of sales	3,685	30,665	38,095
Gross profit	327	2,166	3,042
Selling, general and administrative expenses	574	6,212	7,030
Operating loss	(247)	(4,046)	(3,988)
Interest expense	(108)	(387)	(506)
Loss from discontinued operations before income taxes	(355)	(4,433)	(4,494)
Income tax (benefit) expense	(18)	(486)	(555)
Loss from discontinued operations, net of tax	$ (337)	$ (3,947)	$ (3,939)
Loss from impairment of discontinued operations before income taxes	$ -	$ (16,589)	$ -
Income tax (benefit) expense	-	(6,176)	-
Loss from impairment of discontinued operations, net of tax	$ -	$ (10,413)	$ -

The major classes of assets and liabilities of the discontinued operations classified as held for sale on the consolidated balance sheets were as follows:

(In thousands)	September 30, 2026	September 30, 2025
Cash and cash equivalents	$ -	$ 942
Accounts receivable, net	-	8,094
Inventories, net	-	11,591
Other current assets	-	710
Current assets held for sale	$ -	$ 21,337
Property, plant and equipment, net	$ -	$ 2,953
Intangible assets, net	-	521
Right-of-use lease assets	-	2,842
Other non-current assets	-	(1,488)
Non-current assets held for sale	$ -	$ 4,828
Current portion of lease liability	$ -	$ 1,342
Current maturities of long-term debt	-	2,347
Accounts payable	-	3,390
Accrued compensation	-	2,265
Factoring liability	-	6,260
Other current liabilities	-	2,353
Current liabilities held for sale	$ -	$ 17,957
Long-term portion of lease liability	$ -	$ 7,468
Other non-current liabilities	-	5
Non-current liabilities held for sale	$ -	$ 7,473

Note 12. Segment Reporting

Following the classification of the Nestor Cables business as discontinued operations during the year ended September 30, 2025, the Company's continuing operations represent one operating segment and one reportable segment. All segment information related to the discontinued Nestor Cables business has been excluded from continuing operations and is presented separately in Note 11 – Assets Held for Sale and Discontinued Operations.

The Company's chief operating decision maker (CODM) is the Chief Executive Officer. The CODM reviews financial information and makes resource allocation decisions based on consolidated financial results, using net income (loss) as the measure of segment performance. The CODM considers budget-to-actual variances when making decisions regarding the allocation of resources and assessing performance of the segment. The components of net income (loss) reviewed by the CODM, including significant segment expenses, are identical to the captions presented in the Company's consolidated statements of earnings. Amounts for additional information required by ASC 280, *Segment Reporting*, including depreciation and amortization expense, stock-based compensation expense, and capital expenditures are identical to those presented in the Company's consolidated statements of cash flows. The CODM is not regularly provided additional expense information beyond what is presented in the consolidated financial statements. Because the financial information used by the CODM is at the same level of detail as that presented in the consolidated financial statements, no additional segment information is presented. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets. In addition, a description of the types of products and services from which the reportable segment derives its revenues as well as the entity-wide information can be found in Note 7 – Concentrations.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management carried out an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer and the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of September 30, 2026. Based upon that evaluation, the Company's Chief Executive Officer and the Company's Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of September 30, 2026 based on the framework in the 2013 *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, management concluded that, as of September 30, 2026, our internal control over financial reporting was effective. The effectiveness of our internal control over financial reporting as of September 30, 2026 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report included in this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the fourth quarter of fiscal year 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On August 21, 2026, John P. Hill, Chief Operating Officer, adopted a trading plan (with a first possible trade date of December 15, 2026) intended to satisfy Rule 10b5-1(c) to sell up to 70,000 shares of Clearfield, Inc. common stock over a period ending on February 14, 2028, subject to certain conditions.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by Item 10 to be included under the headings "Executive Officers," "Corporate Governance," "Proposal 1. Election of Directors" and "Delinquent Section 16(a) Reports" in our Proxy Statement for our 2027 Annual Meeting of Shareholders (the "2027 Proxy Statement"), which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year for which this report is filed, is incorporated herein by reference into this section.

The Company has adopted a Code of Ethics and Business Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer, and all officers, directors, and employees of the Company. The Code of Ethics and Business Conduct is posted on our website at https://ir.seeclearfield.com under the links "About – For Investors - Governance – Governance Documents - Code of Ethics and Business Conduct." The Company intends to disclose on the same website any amendments to, or waiver from, a provision of the Code of Ethics and Business Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer, controller or other persons performing similar functions within four business days following the date of such amendment or waiver.

The Company has an insider trading policy governing the purchase, sale, and/or other dispositions of our securities by our directors, executive officers and employees that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. A copy of our insider trading policy, as amended, is incorporated by reference as Exhibit 19 to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 to be included under the headings "Executive Compensation" and "Director Compensation" in the 2027 Proxy Statement, is incorporated herein by reference into this section.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 under the headings "Ownership of Voting Securities by Principal Holders and Management" and "Equity Compensation Plan Information" to be included in the 2027 Proxy Statement, is incorporated herein by reference into this section.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 under the heading "Certain Relationships and Related Person Transactions," "Corporate Governance – Board Independence" and "Corporate Governance – Committees of the Board of Directors and Committee Independence" to be included in the 2027 Proxy Statement, is incorporated herein by reference into this section.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 under the heading "Relationship with Independent Accountants" to be included in the 2027 Proxy Statement, is incorporated herein by reference into this section.

PART IV.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report.

(1) Financial Statements.

The financial statements of Clearfield, Inc. are filed herewith under Item 8. "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

(2) Certain financial statement schedules have been omitted because they are not required, not applicable or the required information is provided in other financial statements or the note to the financial statements.

(3) Exhibits: See Items 15(b) below.

(b) Exhibits.

EXHIBIT INDEX

Number	Description	Incorporated by Reference to
2.1	Share Sale and Purchase Agreement dated November 11, 2025 by and between Clearfield, Inc. and Aki Eklund and Aleksanteri Pyrrö †	Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated November 17, 2025
3.1	Restated Articles of Incorporation, of APA Optics, Inc. (n/k/a Clearfield, Inc.) dated November 3, 1983 and Articles of Amendment dated December 9, 1983, July 30, 1987, March 22, 1989, September 14, 1994 and August 17, 2000	Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000
3.1 (a)	Articles of Amendment to Articles of Incorporation dated August 20, 2004	Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004
3.2	Amended and Restated Bylaws of Clearfield, Inc. as adopted December 10, 2025	Exhibit 3.1 to Registrant's Current Report on Form 8-K dated December 12, 2025
4.1	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	**
*10.1	Form of Agreement regarding Indemnification of Directors and Officers with certain current and former directors	Exhibit 10.1 to Registrant's Annual Report on Form 10-K for the year ended September 30, 2017
*10.2	2007 Stock Compensation Plan, as amended through December 23, 2016	Appendix A to the Registrant's Proxy Statement filed with the SEC on January 10, 2017 for the 2017 Annual Meeting of Shareholders held on February 23, 2017
*10.3	Employment Agreement dated December 16, 2008 by and between Clearfield, Inc. and Cheryl P. Beranek	Exhibit 10.26 to Registrant's Current Report on Form 8-K dated December 22, 2008
*10.4	Transition Agreement dated October 15, 2026 by and between Clearfield, Inc. and Cheryl Beranek.	Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated October 20, 2026
*10.5	Employment Agreement dated December 16, 2008 by and between Clearfield, Inc. and John P. Hill	Exhibit 10.27 to Registrant's Current Report on Form 8-K dated December 22, 2008
*10.6	Clearfield, Inc. Code 280G Tax Gross Up Payment Plan Adopted November 18, 2010	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated November 22, 2010
10.7	Clearfield, Inc. 2010 Employee Stock Purchase Plan, as amended	Appendix A to the Registrant's Proxy Statement filed with the SEC on January 14, 2020 for the 2020 Annual Meeting of Shareholders held on February 27, 2020
10.8	Standard Form Industrial Building Lease dated September 9, 2014 by and between Clearfield, Inc. and First Industrial, L.P.	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated September 10, 2014

Number	Description	Incorporated by Reference to
10.9	First Amendment to Lease Agreement dated May 9, 2019 by and between First Industrial, L.P. and Clearfield, Inc.	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated May 15, 2019
*10.10	Employment Agreement dated November 16, 2017 by and between Clearfield, Inc. and Daniel Herzog	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated November 22, 2017
*10.11	Amendment No. 1 to Employment Agreement dated December 3, 2019 by and between Daniel Herzog and Clearfield, Inc.	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated December 6, 2019
*10.12	Employment Agreement dated May 6, 2024 by and between Clearfield, Inc. and Anis Khemakhem	**
10.13	Loan Agreement dated April 27, 2022 by and between Clearfield, Inc. and Bremer Bank, National Association †	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated April 28, 2022
10.14	Security Agreement dated April 27, 2022 by Clearfield, Inc. in favor of Bremer Bank, National Association †	Exhibit 10.2 to Registrant's Current Report on Form 8-K dated April 28, 2022
10.15	Amendment No. 1 to Loan Agreement dated August 5, 2024 by and between Clearfield, Inc. and Bremer Bank, National Association	Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024
10.16	Amendment No. 2 to Loan Agreement dated April 25, 2025, by and between Clearfield, Inc. and Bremer Bank, National Association	Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated April 25, 2025
10.17	Amendment No. 3 to Loan Agreement dated April 25, 2026, by and between Clearfield, Inc. and Old National Bank	Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated April 30, 2026
10.18	Amendment No. 4 to Loan Agreement dated July 24, 2026, by and between Clearfield, Inc. and Old National Bank	Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated July 28, 2026
*10.19	Clearfield, Inc. 2022 Stock Compensation Plan, as amended through January 23, 2023	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated January 25, 2023
*10.20	Form of Stock Option Agreement under the Clearfield, Inc. 2022 Stock Compensation Plan	Exhibit 10.2 to Registrant's Current Report on Form 8-K dated February 24, 2023
*10.21	Form of Restricted Stock Award Agreement under the Clearfield, Inc. 2022 Stock Compensation Plan.	Exhibit 10.3 to Registrant's Current Report on Form 8-K dated February 24, 2023
*10.22	Form of Performance Stock Unit Agreement under the Clearfield, Inc. 2022 Stock Compensation Plan.	Exhibit 10.16 to Registrant's Annual Report on Form 10-K for the year ended September 30, 2023
*10.23	Form of Performance Stock Unit Award Agreement adopted November 25, 2024 under the Clearfield, Inc. 2022 Stock Compensation Plan	Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated November 26, 2024

Number	Description	Incorporated by Reference to
*10.24	Form of Performance Stock Unit Award Agreement under the Clearfield, Inc. 2022 Stock Compensation Plan for grants to executive officers commencing in 2025	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended December 31, 2025
*10.25	Form of Non-Employee Director Restricted Stock Award Agreement under the Clearfield, Inc. 2022 Stock Compensation Plan for grants to non-employee directors commencing in 2026	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026
10.26	Lease Agreement dated April 4, 2024, by and among Prisma Shelter, S. de R.L. de C.V., Clearfield, Inc., and Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, solely in its capacity as Trustee of Trust No. 3218	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated April 9, 2024
*10.27	Clearfield, Inc. Incentive Bonus Plan	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated September 4, 2024
19	Clearfield, Inc. Policy Regarding Buying and Selling Securities – Insider Trading and Tipping, as amended through August 29, 2024	Exhibit 19 to Registrant's Annual Report on Form 10-K for the year ended September 30, 2025
21.1	Subsidiaries of Clearfield, Inc.	**
23.1	Consent of Deloitte & Touche LLP	**
23.2	Consent of Baker Tilly US, LLP	**
31.1	Certification of Chief Executive Officer (principal executive officer) Pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act	**
31.2	Certification of Chief Financial Officer (principal financial officer) Pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act	**
32	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. § 1350	**
97.1	Clearfield, Inc. Compensation Recoupment Policy, as amended September 28, 2023	Exhibit 10.1 to Registrant's Current Report on Form 8-K dated October 4, 2023
101.INS	Inline XBRL Instance Document	**
101.SCH	Inline XBRL Taxonomy Extension Schema	**
101.CAL	Inline XBRL Taxonomy Calculation Linkbase	**
101.LAB	Inline XBRL Taxonomy Labels Linkbase	**
101.PRE	Inline XBRL Taxonomy Presentation Linkbase	**
101.DEF	Inline XBRL Taxonomy Definition Linkbase	**
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	**

† Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K.
* Indicates a management contract or compensatory plan or arrangement.
** Filed herewith.

(c) Financial Statement Schedules.

All schedules are omitted because they are not applicable or the required information is included in the consolidated financial statements or notes.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Clearfield, Inc.

Date: November 17, 2026

/s/ Cheryl Beranek
Cheryl Beranek
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Each person whose signature appears below hereby constitutes and appoints Cheryl Beranek and Daniel Herzog and each of them, as his or her true and lawful attorney-in-fact and agent, with full power of substitution, to sign on his or her behalf, individually and in each capacity stated below, all amendments to this Form 10-K and to file the same, with all exhibits thereto and any other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as each might or could do in person, hereby ratifying and confirming each act that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue thereof.

Signatures	Title	Date
/s/ Cheryl Beranek Cheryl Beranek	President, Chief Executive Officer (Principal Executive Officer) and Director	November 17, 2026
/s/ Daniel Herzog Daniel Herzog	Chief Financial Officer (Principal Financial and Accounting Officer)	November 17, 2026
/s/ Ronald G. Roth Ronald G. Roth	Director	November 17, 2026
/s/ Catherine T. Kelly Catherine T. Kelly	Director	November 17, 2026
/s/ Rebecca B. Seidel Rebecca B. Seidel	Director	November 17, 2026
/s/ Kathleen S. Skarvan Kathleen S. Skarvan	Director	November 17, 2026
/s/ Ademir Sarcevic Ademir Sarcevic	Director	November 17, 2026
/s/ Walter L. Jones, Jr. Walter L. Jones, Jr.	Director	November 17, 2026
/s/ Carol A. Wirsbinski Carol Wirsbinski	Director	November 17, 2026

Exhibit 4.1

DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934

Clearfield, Inc. ("Clearfield," the "Company," "we," "our," or "us") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock.

DESCRIPTION OF CAPITAL STOCK

The following summary of the general terms and provisions of our capital stock does not purport to be complete and is based upon and qualified by reference to our articles of incorporation and bylaws, which are filed as exhibits to our Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read our articles of incorporation, our bylaws and the applicable provisions of the Minnesota Business Corporation Act, or MBCA, for additional information.

Authorized Shares of Capital Stock

The aggregate number of shares of capital stock that the Company has authority to issue is 55,000,000 shares, which consists of 50,000,000 shares of common stock, par value $0.01 per share, and 5,000,000 undesignated shares, par value $0.01 per share.

Common Stock

Holders of the Company's common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the shareholders and do not have cumulative voting rights. Except as otherwise provided by law, our articles of incorporation or our bylaws, matters will generally be decided by the vote of the holders of a majority of the voting power present in person or represented by proxy. Our bylaws provide that the authorized number of directors shall be fixed from time to time by a resolution of the board of directors. Our board of directors is not classified.

Holders of our common stock are entitled to receive dividends declared by our board of directors out of funds legally available for the payment of dividends, subject to the rights, if any, of preferred shareholders. In the event of any liquidation, dissolution or winding-up of our affairs, holders of common stock will be entitled to share ratably in our assets that are remaining after payment or provision for payment of all of our debts and obligations and the liquidation preferences of outstanding shares of preferred stock, if any.

Holders of common stock have no preemptive, conversion or subscription rights, and there are no redemption provisions applicable to the common stock.

All outstanding shares of our common stock are fully paid and non-assessable.

The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

The transfer agent and registrar for our common stock is Equiniti Trust Company.

Our common stock is currently listed on The NASDAQ Stock Market LLC under the trading symbol “CLFD.”

Preferred Stock

From the 5,000,000 undesignated shares of capital stock, 500 shares have been designated as 2% Series A Convertible Preferred Stock and 500,000 shares have been designated as Series B Junior Participating Preferred Shares. On July 18, 2000, the Company redeemed all 500 authorized and then issued shares of the 2% Series A Convertible Preferred Stock. The shares of 2% Series A Convertible Preferred Stock redeemed were cancelled and may not be reissued. No shares of Series B Junior Participating Preferred Shares are outstanding. The Series B Junior Participating Preferred Shares are summarized below under “Anti-Takeover Effects of Provisions of our Articles of Incorporation, our Bylaws and Minnesota Law.”

Under Clearfield’s articles of incorporation, our board of directors may, from time to time, establish by resolution from the undesignated shares different classes or series of shares and may fix the relative rights and preferences of said shares in any class or series. The Company’s board of directors has further authority to issue shares of the common stock to the holders of shares of the common stock and to the holder of any class or series of the undesignated shares and it may issue shares of any class or series of the undesignated shares to the holders of shares of the common stock and to the holder of any class or series of the undesignated shares, in any case, for any purpose.

Anti-Takeover Effects of Provisions of our Articles of Incorporation, our Bylaws and Minnesota Law

Certain provisions of Minnesota law, our articles of incorporation and our bylaws may be deemed to have an anti-takeover effect.

Series B Junior Participating Preferred Shares

On November 3, 2000, our board of directors adopted resolutions creating a series of preferred stock, par value $0.01 per share, designated as the Series B Junior Participating Preferred Shares and authorizing 500,000 shares as constituting the Series B Junior Participating Preferred Shares. The Series B Junior Participating Preferred Shares were created in connection with our shareholder rights plan which expired on November 13, 2010.

Under the shareholder rights plan when it was in effect, if any person or group (the “Acquiring Person”) became the beneficial owner of 15% or more of our outstanding common stock, all other holders of our common stock would be entitled to purchase from us 1/100 of a Series B Junior Participating Preferred Share at a price of $80 per 1/100 of a Series B Junior Participating Preferred Share, subject to adjustment. In the event that any person or group became an Acquiring Person, each holder of this Preferred Share purchase right, other than rights that are or were beneficially owned by the Acquiring Person (which would thereafter be void), would thereafter have the right to receive, upon exercise thereof at the then current exercise price of the right, that number of shares of our common stock having a market value of two times the exercise price of the right. The effect of the shareholder rights plan was to dilute the Acquiring Person, thereby making the cost of abusive unsolicited takeover practices prohibitive and creating an incentive for a potential acquiror to negotiate in good faith with our board of directors.

Although the shareholder rights plan expired on November 13, 2010, our board of directors has the right to reinstate the shareholder rights plan or adopt a new shareholder rights plan without shareholder approval.

The resolutions creating the Series B Junior Participating Preferred Shares provide that the holders of Series B Junior Participating Preferred Shares are entitled, in preference to holders of common stock, to quarterly dividends when, if and as declared by our board of directors in an amount equal to the greater of $1 per share or 100 times the dividend declared per share of common stock whenever such dividend is declared. In the event of liquidation, the holders of Series B Junior Participating Preferred Shares will be entitled to the greater of a minimum preferential liquidation payment of $100 per share or aggregate payment of 100 times the payment made per share of common stock. Each Series B Junior Participating Preferred Share will have 100 votes, voting together with common stock. In the event of any merger, consolidation or other transaction in which shares of common stock are exchanged, each Series B Junior Participating Preferred Share will be entitled to receive 100 times the amount received per share of common stock. These rights will be protected by customary anti-dilution provisions. Series B Junior Participating Preferred Shares are not redeemable.

Designation of Capital Stock

The ability of our board of directors to designate classes or series of stock from our authorized stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

Shareholder Meetings

Under our bylaws, annual meetings of our shareholders may be called only by our board of directors. Our bylaws permit our board of directors to determine that shareholders not physically present may participate in a shareholder meeting by means of remote communication, or that a shareholder meeting will be held solely by means of remote communication, and participation by remote communication constitutes presence at the meeting.

Under our bylaws, special meetings of our shareholders may be held at any time and for any purpose and may be called by the chief executive officer, chief financial officer, any two or more directors, or by one or more shareholders holding 10% or more of the shares entitled to vote, except that a special meeting called by one or more shareholders for the purpose of considering any action to directly or indirectly facilitate or effect a business combination, including any action to change or otherwise affect the composition of the board of directors for that purpose, must be called by one or more shareholders holding not less than 25% of all shares entitled to vote. A special meeting called by or at the demand of a shareholder or shareholders must be held in the county in which our principal executive office is located.

Our bylaws also provide that a shareholder demand for a special meeting will not be accepted and will be considered ineffective if (i) the demand does not comply with the requirements governing the calling of special meetings under Section 2.04 or the advance notice requirements for shareholder nominations and proposals under Section 2.14 of our bylaws; (ii) the demand relates to an item of business that is not a proper subject for shareholder action under applicable law; (iii) the demand relates to an item of business that is identical or substantially similar to an item of business for which a record date was previously fixed and the demand is delivered after that record date but within one year thereafter; (iv) a substantially similar item will be submitted for shareholder approval at any shareholder meeting to be held within 120 days after receipt of the demand; (v) a substantially similar item was presented at the most recent annual meeting or any special meeting held within one year before receipt of the demand; (vi) a substantially similar item is included in the notice of a shareholder meeting that has been called but not yet held; or (vii) the demand was made in a manner that involved a violation of Regulation 14A under the Exchange Act or other applicable law. In applying clauses (iii) through (vi), the election of directors is treated as a substantially similar item with respect to all items of business involving the election or removal of directors.

Requirements for Advance Notification of Shareholder Nominations and Proposals

Nominations for election to our board of directors may be made (a) by or at the direction of our board of directors or (b) by any shareholder (i) who is a shareholder of record both at the time of giving notice and at the time of the meeting, (ii) who is entitled to vote in the election of directors, and (iii) who delivers timely notice in proper written form to the Secretary of the Company in accordance with the advance notice procedures under Section 2.14-a or the proxy access procedures under Section 2.16 of our bylaws.

In general, under the advance notice procedures, a shareholder must submit a written notice of the nomination to our principal executive office not less than 90 days nor more than 120 days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's annual meeting of shareholders, together with required information regarding the shareholder and each person the shareholder proposes to nominate, including each proposed nominee's name, age, business address and principal occupation or employment. For nominations at a special meeting called for the purpose of electing directors, or at a regular meeting other than an annual meeting, notice must be received not less than 90 days before the meeting or, if later, within 10 days after the first public announcement of the meeting date. We may also require any proposed nominee to furnish a completed and signed director questionnaire.

A shareholder who intends to solicit proxies in support of director nominees other than our nominees must also comply with Rule 14a-19 under the Exchange Act, promptly certify to us in writing that the shareholder has complied with or will comply with Rule 14a-19 and, upon our request, deliver reasonable evidence of compliance not later than five business days before the applicable meeting of shareholders. If a shareholder (i) provides notice under Rule 14a-19, and (ii) subsequently (a) notifies us that it no longer intends to solicit such proxies in support of director nominees other than our nominees, (b) fails to comply with Rule 14a-19, or (c) fails to provide reasonable evidence of compliance, its nominations will be deemed null and void and we will disregard any proxies or votes solicited for its nominees. Any shareholder directly or indirectly soliciting proxies from other shareholders must use a proxy card color other than white, which is reserved for the exclusive use of the board of directors.

Shareholders can propose business, other than nominations to our board of directors, to be considered at an annual meeting of shareholders only if a shareholder follows the advance notice procedures described in Section 2.14-b of our bylaws. In general, a shareholder must deliver to the Secretary of the Company, or mail so that it is received at our principal executive office, a written notice of the proposal together with required information regarding the shareholder and the shareholder's interest in the proposal not less than 90 days nor more than 120 days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's annual meeting of shareholders. The notice must, among other things, include a representation as to whether the shareholder or any beneficial owner on whose behalf the proposal is made intends, or is part of a group that intends, to deliver a proxy statement or form of proxy to holders of at least the percentage of our outstanding shares required to adopt the proposal or otherwise to solicit proxies from shareholders in support of the proposal.

Proxy Access

Our bylaws permit a shareholder, or a group of no more than 20 shareholders, that has owned continuously for at least three years at least 3% of our outstanding common stock to nominate and include in our proxy materials for an annual meeting director nominees constituting up to the greater of two or 20% of the number of directors in office (rounded down to the nearest whole number), provided that the shareholder or group and each nominee satisfy the requirements set forth in Section 2.16 of our bylaws. A notice of proxy access nomination generally must be received by the Secretary of the Company not less than 120 days nor more than 150 days prior to the first anniversary of the date on which we distributed our proxy statement for the preceding year's annual meeting. The notice must include, among other things, the information required for advance notice nominations, evidence of the required share ownership, a copy of the Schedule 14N filed with the Securities and Exchange Commission, and specified representations and undertakings by the nominating shareholder and each nominee.

We are not required to include a proxy access nominee in our proxy materials in certain circumstances, including, without limitation, if (i) we receive notice that any shareholder intends to nominate a person under the advance notice provisions of our bylaws for the same meeting, (ii) the nominee would not qualify as an independent director, or (iii) the nominee or the nominating shareholder provides materially inaccurate or misleading information or fails to comply with its obligations under our bylaws. A proxy access nominee who withdraws, becomes ineligible or unavailable, or receives less than 25% of the votes cast in favor of his or her election will be ineligible to be a proxy access nominee for the next two annual meetings.

Unanimous Shareholder Action in Writing

Our bylaws permit shareholders to take any action that might be taken at a meeting of the shareholders by written action, but only if it is signed by all of the shareholders entitled to vote on that action.

Exclusive Forum

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, (a) a state or federal court located within the State of Minnesota will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees, committee members or agents to us or our shareholders, (iii) any action asserting a claim against us or any of our directors, officers, employees, committee members or agents arising pursuant to any provision of the MBCA, our articles of incorporation or our bylaws, or (iv) any action asserting a claim against us or any of our directors, officers, employees, committee members or agents governed by the internal affairs doctrine, and (b) the federal district courts of the United States will be the sole and exclusive forum for any claim arising under the Securities Act of 1933, as amended, against us or any of our directors, officers, employees, committee members or agents, in each case subject to such courts having personal jurisdiction over the indispensable parties named as defendants. A shareholder who files an action covered by clause (a) in a court outside Minnesota will be deemed to have consented to the personal jurisdiction of the state or federal courts in Minnesota in any action brought to enforce the exclusive forum provision.

Because the federal courts have exclusive jurisdiction over suits brought under the Exchange Act, our exclusive forum requirements do not apply to such suits. The exclusive forum requirements may limit shareholders' ability to bring claims in a judicial forum they find favorable and may discourage such lawsuits. However, it is possible that a court could find our exclusive forum requirements to be inapplicable or unenforceable in a particular action.

Provisions of Minnesota Law

The following provisions of the MBCA may have an effect of delaying, deterring or preventing an unsolicited takeover of the Company or making an unsolicited takeover of the Company more difficult.

In general, Section 302A.553 of the MBCA prohibits a publicly held corporation, such as Clearfield, from purchasing shares entitled to vote for more than market value from a person that beneficially owns more than 5% of the voting power of the corporation if the shares have been beneficially owned for less than two years unless the purchase or agreement to purchase is approved at a meeting of shareholders by the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote or the corporation makes an offer, of at least equal value per share, to all shareholders for all other shares of that class or series and any other class or series into which they may be converted.

In general, Section 302A.671 of the MBCA provides that shares of an "issuing public corporation," such as Clearfield, acquired by an "acquiring person" in a "control share acquisition" that exceed the threshold of voting power of any of the three ranges identified below will not have voting rights, unless the issuing public company's shareholders vote to accord such shares the voting rights normally associated with such shares. A "control share acquisition" is an acquisition, directly or indirectly, by an "acquiring person" (as defined in the MBCA) of beneficial ownership of shares of an issuing public corporation that, but for Section 302A.671, would, when added to all other shares of the issuing public corporation beneficially owned by the acquiring person, entitle the acquiring person, immediately after the acquisition, to exercise or direct the exercise of a new range of voting power of the issuing public corporation with any of the following three ranges: (i) at least 20 percent but less than 33-1/3 percent; (ii) at least 33-1/3 percent but less than or equal to 50 percent; and (iii) over 50 percent. The issuing public company also has an option to call for redemption all, but not less than all, shares acquired in the control share acquisition that exceed the threshold of voting power of any of the specified ranges at a price equal to the fair market value of the shares at the time the call is given if (i) the acquiring person fails to deliver the information statement to the issuing public company by the tenth day after the control share acquisition; or (ii) shareholders have voted not to accord voting rights to the shares acquired in the control share acquisition.

In general, Section 302A.673 of the MBCA prohibits a public Minnesota corporation, such as Clearfield, from engaging in a business combination with an interested shareholder for a period of four years after the date of the transaction in which the person became an interested shareholder, unless either the business combination or the acquisition by which such person becomes an interested shareholder is approved in a prescribed manner before the person became an interested shareholder. The term "business combination" includes mergers, asset sales and other transactions resulting in a financial benefit to the interested shareholder. An "interested shareholder" is a person who is the beneficial owner, directly or indirectly, of 10% or more of a corporation's voting stock, or who is an affiliate or associate of the corporation, and who, at any time within four years before the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the corporation's outstanding voting stock.

If a takeover offer is made for our stock, Section 302A.675 of the MBCA precludes the offeror from acquiring additional shares of stock (including in acquisitions pursuant to mergers, consolidations or statutory share exchanges) within two years following the completion of the takeover offer, unless shareholders selling their shares in the later acquisition are given the opportunity to sell their shares on terms that are substantially the same as those contained in the earlier takeover offer. A "takeover offer" is a tender offer which results in an offeror who owned ten percent or less of a class of our shares acquiring more than ten percent of that class, or which results in the offeror increasing its beneficial ownership of a class of our shares by more than ten percent of the class, if the offeror owned ten percent or more of the class before the takeover offer. Section 302A.675 does not apply if a committee of our board of directors formed in accordance with Section 302A.675 approves the proposed acquisition before any shares are acquired pursuant to the earlier takeover offer.

Exhibit 10.12

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("**Agreement**"), effective the **6th** day of **May,** 2024 (the "**Effective Date**"), is made and entered into by and between Clearfield, Inc., a Minnesota corporation (the "**Company**") and Anis Khemakhem (the "**Executive**").

WHEREAS, the Company desires to employ the Executive and the Executive desires to accept employment with the Company upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises and other good and valuable consideration set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Employment and Employment Period**

The Company agrees to employ the Executive and the Executive accepts employment upon the terms and conditions set forth herein. This Agreement shall supersede any contrary terms in any offer letter or summary of compensation. Subject to earlier termination as provided for herein, the Executive's employment shall be for a term (the "**Employment Period**") commencing on the Effective Date and ending on the date Executive's employment is terminated in accordance with this Agreement (the "**Termination Date**"). Notwithstanding, the provisions of Sections 6, 7 and 10 survive the termination of the Executive's employment and/or the Agreement.

2. **Terms of Employment**

(a) Position and Duties.

(i) During the Employment Period, the Executive shall serve as the Company's Vice President, Global Technology Platforms and shall perform such duties as are usual and customary for such position and as are assigned by the Company. The Executive shall perform his duties with a high level of professionalism and integrity. The Executive shall comply with all Company policies and practices in effect from time to time. The Executive shall report to the Chief Operating Officer. The Executive shall be officed at the Company's main headquarters offices in Brooklyn Park, Minnesota; provided, however, that the Executive understands that travel will be a required component of the position. The Company retains the discretion to change the Executive's title, job duties and reporting structure as the Company, in its discretion, deems appropriate based on business needs.

(ii) During the Employment Period and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive will devote substantially all of his business time, energy, skills and best efforts to the performance of his duties hereunder in a manner that faithfully and diligently furthers the business and interests of the Company. Notwithstanding the foregoing, during the Employment Period it shall not be a violation of this Agreement for the Executive to serve on civic, charitable or other boards or committees; provided, however, that the Executive will consult with the Company's Chief Executive Officer prior to accepting a position on the board of any publicly-traded company.

(iii) The Executive will not take personal advantage of any business opportunity that arises while employed by the Company and that may be of benefit to the Company unless (A) all material facts regarding such opportunity are timely reported by the Executive to the Company's Chief Executive Officer in writing for consideration by the Company; and (B) the Chief Executive Officer provides written notice that the Company rejects the opportunity and approves the Executive's participation therein.

(b) Compensation and Benefits.

(i) Base Salary. Executive shall receive a base salary for fiscal year 2024 equal to $325,000 annualized (the "**Base Salary**"). The Base Salary shall be paid at such intervals as the Company customarily pays salaries and be subject to applicable withholding. During the Employment Period, the Base Salary shall be reviewed at least annually for possible adjustment as determined by the Company, in its sole discretion. The term "Base Salary" as utilized in this Agreement shall refer to Base Salary as so adjusted.

(ii) Annual Bonus. In addition to the Base Salary, the Executive shall be eligible to earn, for each fiscal year of the Company ending during the Employment Period beginning with fiscal year 2024, an annual cash performance bonus (an "Annual Bonus"). The amount of the Annual Bonus and the target performance goals applicable to the Annual Bonus shall be determined in accordance with the terms and conditions of said bonus plan as in effect from time to time; provided that Executive's target for Annual Bonus for fiscal year 2024 shall be 20% of Executive's Base Salary, pro-rated based on the number of days Executive is employed in fiscal year 2024. The terms and conditions of any such bonus plan, as well as whether Executive earned an Annual Bonus, shall be determined by the Compensation Committee of the Company's Board in its sole discretion, which determination shall be final and binding. Executive has received and reviewed the Company's Compensation Recoupment Policy and acknowledges that Executive has been designated by the Board as a "Covered Executive" under the Compensation Recoupment Policy.

(iii) Benefits. During the Employment Period, the Executive shall be eligible to participate in the welfare benefit plans, practices, policies and programs maintained by the Company, subject to eligibility requirements; and shall also be entitled to receive such fringe benefits and perquisites as the Company deems appropriate from time to time. During the Employment Period, the Executive shall be entitled to receive paid vacation in accordance with his offer letter and the plans, policies, programs and practices of the Company.

(iv) Expenses. During the Employment Period, the Executive shall be entitled to receive reimbursement for all reasonable business expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company.

3. **Termination of Employment**

(a) The Executive's employment shall continue from the Effective Date through the Termination Date unless it is terminated earlier by the Company or the Executive in accordance with the terms of this Agreement.

(b) Death. The Executive's employment will terminate automatically upon the Executive's death and the date of Executive's death shall be the "Termination Date."

(c) Disability. To the extent consistent with federal and state laws, Executive's employment may be terminated by the Company if Executive experiences a Disability. For purposes of this Agreement, "**Disability**" means a physical or mental illness which renders Executive (i) unable to perform his essential duties for ninety (90) consecutive days or a total of one hundred and eighty (180) days in any twelve (12) month period with or without reasonable accommodations, or (ii) unable to perform those duties in a manner that would not endanger his health or safety or the health or safety of others even with reasonable accommodations. The existence of a Disability shall be determined through the opinion (to a reasonable medical certainty) of an independent physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative. The Company is not required to make unreasonable accommodations for Executive or accommodations that would create an undue hardship for the Company.

(d) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For the purposes of this Agreement, "Cause" means the occurrence of any one or more of the following events:

(i) The Executive's willful failure to perform or gross negligence in performing his duties owed to the Company (other than such failure resulting from the Executive's Disability), which continues after five (5) days following a written notice delivered to the Executive by the Company, which notice specifies such willful failure or gross negligence;

(ii) The Executive's commission of an act of fraud, misconduct or dishonesty in the performance of his duties;

(iii) The Executive's conviction of, or entry by the Executive of a guilty or no contest plea to, (A) any felony or (B) any misdemeanor involving dishonesty or moral turpitude;

(iv) Any material breach by the Executive of any fiduciary duty or duty of loyalty owed to the Company;

(v) Any material violation by the Executive of the Company's policies or procedures involving discrimination, harassment, substance abuse or work place violence, the Company's Code of Ethics and Business Conduct or the Company's securities trading policy;

(vi) The Executive's material breach of any of the provisions of this Agreement, except Section 6, which is not cured within five (5) days following written notice thereof from the Company; or

(vii) The Executive's breach of any of the provisions of Section 6 hereof.

(e) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason or by the Executive without Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any one or more of the following events without the Executive's prior written consent:

(i) The relocation of the Company's office at which Executive is principally employed to a location more than 50 miles from such office;

(ii) The Company has materially reduced the duties and responsibilities of Executive from the duties and responsibilities of the Executive as Vice President, Global Technology Platforms at the Effective Date; or

(iii) The Company's material breach of its obligations under the Agreement.

Notwithstanding any other provision of this Section 3(e), the occurrence of any event described in Section 3(e)(i), (ii) or (iii) shall constitute Good Reason only if (A) the Executive provides written notice to the Company of the occurrence of such event within ninety (90) days of the initial occurrence of such event, and (B) the Company fails to remedy (provided such circumstances are capable of correction) the event described in the Executive's written notice within thirty (30) days of the Company's receipt of such notice, and the Executive terminates his employment within thirty (30) days following the lapse of the Company's cure period unless the Company fully corrects the circumstances constituting Good Reason prior to the Termination Date.

(f) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination given in accordance with Section 10(c) of this Agreement. A "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and (iii) specifies the Termination Date. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not constitute a waiver of any right hereunder or preclude a party from asserting such fact or circumstance in enforcing rights hereunder.

4. **Obligations of the Company Upon Termination**

(a) Without Cause or For Good Reason. If the Company terminates the Executive's employment without Cause or the Executive terminates employment for Good Reason, the Executive will receive the payments and benefits set forth below. The timing of the payments hereunder is subject to Section 10(e) hereof:

(i) The Executive shall be paid (A) the Executive's earned but unpaid Base Salary and accrued but unpaid vacation pay through the Termination Date, and any Annual Bonus required to be paid pursuant to Section 2(b)(ii) above for any fiscal year of the Company that ends on or before the Termination Date to the extent not previously owed and paid (the "**Accrued Obligations**"), and (B) an amount (the "**Severance Amount**") equal to eight months of the Executive's Base Salary in effect on the Termination Date;

(ii) At the time annual bonuses are paid to the Company's other senior executives for the fiscal year of the Company in which the Termination Date occurs, the Executive shall be paid an Annual Bonus in an amount equal to the product of (A) the amount of the Annual Bonus to which the Executive would have been entitled if the Executive's employment had not been terminated, and (B) a fraction, the numerator of which is the number of days in such fiscal year through the Termination Date and the denominator of which is the total number of days in such fiscal year (a "**Pro-Rated Annual Bonus**");

(iii) If Executive (or any of Executive's qualified beneficiaries) makes a timely election to continue to participate in the Company's group health plans (medical, dental, and vision) pursuant to 29 U.S.C. §§ 1161-1169 ("COBRA"), the Company shall pay to Executive the Company portion of the premium for such coverage (which premium payment shall be taxable to Executive pursuant to applicable law) starting on the Termination Date and ending on the earlier of (A) the date that is eight months after the Termination Date, or (B) the date on which Executive no longer is eligible to continue to participate under COBRA. For purposes of the foregoing, the usual limitations of COBRA shall apply and the Company's payment of the Company's portion of the COBRA premium(s) shall not extend the continuation period, which begins on the Termination Date; and

(iv) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any vested benefits and other amounts or benefits required to be paid or provided or which the Executive is eligible to receive as of the Termination Date under any plan, contract or agreement of the Company and its affiliates (such other amounts and benefits shall be hereinafter referred to as the "**Other Benefits**") to which the Executive is a party. For the avoidance of doubt, any stock option, restricted stock, restricted stock unit, performance stock unit or other equity-based compensation award granted to Executive and outstanding on the Termination Date shall be governed by the terms of applicable stock compensation plan and related award agreement.

Notwithstanding anything to the contrary in this Section 4, it shall be a condition to the Executive's right to receive the amounts provided for above that the Executive execute, deliver to the Company, and not revoke or rescind, a release of claims in such form as is presented to Executive by the Company.

(b) For Cause or Without Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive without Good Reason during the Employment Period, the Company shall have no further obligations to the Executive under this Agreement other than pursuant to Section 4(b) hereof, which shall be to pay to the Executive the Accrued Obligations when due under Minnesota law and to provide the Other Benefits in accordance with the provisions of the applicable plan, program, agreement and/or law.

(c) Death or Disability. If the Executive's employment is terminated by reason of the Executive's Death or Disability:

(i) The Accrued Obligations shall be paid to the Executive's estate or beneficiaries or to the Executive, as and when due under Minnesota law;

(ii) The Pro-Rated Annual Bonus, if any, shall be paid to the Executive's estate or beneficiaries or to the Executive, as applicable, at the time when annual bonuses are paid to the Company's other senior executives for the fiscal year of the Company in which the Termination Date occurs; and

(iv) The Other Benefits, if any, shall be paid or provided to the Executive's estate or beneficiaries or to the Executive, as applicable, on a timely basis.

5. **Remedies**

If either party institutes any action, suit, counterclaim, appeal, or other action for any relief against another party, declaratory or otherwise (collectively an "**Action**") to enforce the terms of this Agreement or to declare rights hereunder, then the Prevailing Party in such Action shall be entitled to recover from the other party, in addition to all applicable remedies, all costs and expenses of the Action, including reasonable attorneys' fees and costs incurred in bringing and prosecuting or defending such Action and/or enforcing any judgment, order, ruling or award (collectively, a "**Decision**") granted therein, all of which shall be deemed to have accrued on the commencement of such Action and shall be paid whether or not such Action is prosecuted to a Decision. For the purposes of this Section, costs shall include, without limitation, those set forth above in the underlying action as well as reasonable attorneys' fees, costs, expenses and expert fees and costs incurred in the following: (a) post-judgment motions and collection actions; (b) contempt proceedings; (c) garnishment, levy, debtor and third party examinations; (d) discovery; (e) bankruptcy litigation; and (f) appeals of any award, order or judgment. "**Prevailing Party**" includes a party who dismisses an Action (excluding an Action instituted in contravention of the requirements of Paragraph 10(b) below) in consideration for the other party's payment of the amounts allegedly due or performance of the covenants allegedly breached, or obtains substantially the relief sought by such party.

6. **Non-Solicitation and Protection of Confidential Information**

(a) Non-Solicitation. The Executive acknowledges that: (i) the business in which the Company competes is highly competitive; (ii) as a key executive, he will participate in servicing current customers and vendors and/or soliciting prospective customers and vendors, through which the Executive will obtain knowledge of the "know-how" and business practices of the Company, in which matters the Company has a substantial proprietary interest; (iii) his employment requires the performance of services that are special, unique, and extraordinary, and his position with the Company places him in a position of confidence and trust with the Company's customers, vendors and employees; and (iv) his rendering of services to the Company will require the disclosure to the Executive of "Confidential Information" (as defined in Section 6(b) hereof). In the course of his employment, the Executive will develop personal relationships with the Company's customers and vendors and knowledge of those customers' and vendors' affairs and requirements, and the Company's relationship with its customers and vendors will therefore be placed in the Executive's hands in confidence and trust. Thus, the Executive agrees that it is a legitimate interest of the Company, and reasonable and necessary for the protection of the Company's confidential information, goodwill and business, that the Executive make the covenants contained herein and that the Company would not have entered into this Agreement unless it contained the covenants in this Section 6. The Executive further acknowledges and agrees that the covenants in this Section 6 are in addition to, and not in lieu of or in limitation of, the Executive's obligations to the Company under applicable rules of professional conduct.

The Executive therefore agrees that during the Employment Period and for a period of one (1) year after the date of his termination from employment with the Company, he will not, directly or indirectly, as an employee, consultant, contractor, partner, shareholder, or in association with, any other person, business or enterprise, except on behalf of the Company, and regardless of the reason for his ceasing to be employed by the Company:

(i) Hire, employ, recruit or solicit any employee or consultant of the Company;

(ii) Solicit, induce or influence any employee or consultant of the Company to reduce or terminate his, her or its employment or other relationship with the Company;

(iii) Assist anyone in any of the activities listed above; or

(iv) Take any action that interferes with or disrupts the Company's relationship with any employee.

(b) Confidential Information. During the Executive's employment he will acquire and have access to confidential or proprietary information about the Company and/or its customers, including but not limited to, trade secrets, information relating to the Company's business, research, marketing, sales, operations and products and plans for development of new business products and services, operational designs and techniques related to business, marketing, and financial information or data concerning the Company's business and business opportunities, information relating to the Company's suppliers, vendors, personnel, consultants, agents and customers, including lists and compilations of such persons and entities, information relating to customer pricing and preferences, information relating to the Company's officers, directors and shareholders, including their respective abilities, functions, conduct and compensation, proprietary information received or developed under agreement or other arrangement by the Company and third parties, and unpublished materials received or developed (including works of authorship) which relate to the business of the Company and its investment strategies, development plans, research and development data, and other technical information. The foregoing shall be collectively referred to as "**Confidential Information**"**.** The Executive is aware that the Confidential Information is not readily available to the public; accordingly, Executive will not at any time (whether during or after the Employment Period), directly or indirectly use, transfer or disclose to anyone any Confidential Information or utilize such Confidential Information for the benefit of himself or any third party. The Executive agrees that these restrictions shall apply whether or not any such information is marked "confidential" and regardless of the form of the information.

If the Executive becomes legally required to disclose any Confidential Information, he will provide the Company with prompt notice thereof to the extent permitted by law so the Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Section 6(b) to permit a particular disclosure. If such protective order or other remedy is not obtained or if the Company waives compliance with the provisions of this Section 6(b) to permit a particular disclosure, the Executive will furnish only that portion of the Confidential Information that he is legally required to disclose and, at the Company's expense, will cooperate with the Company to the extent permitted by law to obtain a protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.

The Executive further agrees that all information, memoranda, disks, files, notes, records or other documents, whether communicated verbally, electronically or via hard copy (collectively, the "**Material**") compiled by him or made available to him during his employment with the Company and/or its predecessor (whether or not the Material constitutes or contains Confidential Information), and in connection with the performance of his duties hereunder, shall be the property of the Company and shall be delivered to the Company on the termination of the Executive's employment with the Company or at any other time upon request. Except in connection with the Executive's employment with the Company, the Executive agrees that he will not make or retain copies or excerpts of the Material. The Executive agrees, upon request, to permanently delete and erase all records, documents and information (including all Confidential Information and Material) relating to the Company, its business and its customers from the Executive's personal electronic devices at or before the Executive's separation from employment with the Company. Nothing in this Section prohibits the Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

(c) Remedies. If the Executive commits a breach, or is threatening to commit a breach, of any of the provisions of Section 6(a) or (b), the Company shall have the right to specific enforcement of this Agreement by any court having jurisdiction without being required to post bond or other security and without having to prove the inadequacy of the available remedies at law, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company. In addition, the Company may take all such other actions and remedies available to it under law or in equity and shall be entitled to such damages as it can show it has sustained by reason of such breach.

(d) Acknowledgements. The parties acknowledge that (i) the restrictions imposed in Sections 6(a) and (b) are fair and reasonable and are reasonably required to protect the Company's proprietary interests and other legitimate business interests, and the goodwill associated with the Company's business; (ii) the time, scope, geographic, and other provisions of this Section 6 have been specifically negotiated by sophisticated parties represented by legal counsel; and (iii) given the nature of the Company's business and given that customers can be and are serviced by the Company wherever they are located, it is impractical and unreasonable to place more narrow geographic limitations on the agreements made by the Executive herein. If any covenant in Sections 6(a) and (b) is held to be unenforceable in any aspect, the parties agree (A) such covenant shall be interpreted to extend over the maximum duration or geographic areas for which it may be enforceable and over the maximum extent in all other respects as to which it may be enforceable, all as determined by the court making such determination, and (B) in its reduced form, such covenants shall be enforceable; but such reduced form shall apply only with respect to the operation of such covenant in the particular jurisdiction in or for which such adjudication is made.

Each covenant and agreement in this Section 6 (collectively, the "**Restrictive Covenants**") is separate, distinct and severable. All rights, remedies and benefits in this Agreement are cumulative and are not exclusive of any rights, remedies or benefits provided for by law or in this Agreement. The exercise of any remedy shall not be deemed to exclude any other remedy. The existence of any claim, demand, or cause of action of the Executive against the Company, whether based on this Agreement or otherwise, shall not be a defense to the Company's enforcement of any Restrictive Covenant. The unenforceability of any Restrictive Covenant shall not affect the validity or enforceability of any other Restrictive Covenant or other provisions of this Agreement. The Restrictive Covenants and other provisions in this Section 6 survive, and continue to be effective according to their terms, after the termination of the Executive's employment and the termination of this Agreement.

(e) Notification of Restrictive Covenants. Before accepting employment or consulting work with any person, corporation or other entity during any period that Executive is subject to the restrictions set forth in Sections 6(a) and (b) above, the Executive shall notify the prospective employer, person or entity in writing of his obligations under such provisions and shall simultaneously provide a copy of such written notice to the Company.

(f) Tolling. The duration of the Restrictive Covenants set forth in this Agreement shall not expire, and shall be tolled, during any period in which the Executive is in violation of any of those covenants, and all restrictions shall automatically be extended by the period of the Executive's violation of any such covenants.

(g) Scope. As used in this Section 6, the term "Company" shall include all subsidiaries and affiliates of the Company.

7. **Intellectual Property**

The Executive agrees that all materials created or modified by him during the Employment Period including, without limitation, all works of authorship, inventions, processes, ideas, methods, concepts and other tangible and intangible materials (collectively, "**Work Product**"), shall be "work for hire" and that the Company shall be the exclusive owner of the Work Product and all intellectual property rights associated with the Work Product, including all trademarks, patents or copyrights contained therein. To the extent any Work Product does not qualify as "work for hire," the Executive hereby assigns ownership of all such Work Product to the Company and agrees to take all reasonable measures, at the Company's expense, to perfect such rights in the Company. The Executive hereby appoints the Company as his attorney-in-fact with the limited power to execute assignments of such Work Product. The Executive will execute any documents and take any action the Company deems appropriate to carry out the provisions of this Section 7.

8. **Enforceability; Waiver**

The failure of any party to require performance by another party of any provision shall not affect the right of that party thereafter to enforce the same, nor shall it affect any other party's right to enforce the same or to enforce any other provisions in this Agreement; nor shall the waiver by any party of the breach of any provision hereof be held to be a waiver of any subsequent breach of such provision or as a waiver of the provision itself.

9. **Successors**

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Upon a sale or transfer of the assets of the business to a successor, the Company shall require such successor to assume this Agreement and perform the obligations of the Company hereunder.

10. **Miscellaneous**

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without reference to principles of conflicts of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified other than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the Executive's most recent address on the records of the Company;
If to the Company:
Clearfield, Inc.
7050 Winnetka Avenue N., Suite 100
Brooklyn Park, MN 55428
Attn: Chief Executive Officer

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice shall be effective upon personal delivery, three business days after deposited in the U.S. mail, return receipt requested, or if sent by email, upon proof of successful delivery.

(c) Sarbanes-Oxley Act of 2002. Notwithstanding anything herein to the contrary, if the Company determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Exchange Act and the rules and regulations promulgated thereunder, then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.

(d) Section 409A. To the maximum extent possible, it is intended that the compensation arrangements under this Agreement be exempt from or in full compliance with the provisions of Section 409A of the Internal Revenue Code and the guidance and regulations promulgated thereunder ("**Section 409A**"). This Agreement shall be administered in a manner consistent with this intent and the Executive agrees the Company shall have the right to delay (without interest) the payment, or to limit the form of payment, of any amount under this Agreement to the extent the Company, in good faith, determines that such delay or limitation is necessary to avoid adverse tax consequences under Section 409A. This Agreement shall be amended in such manner as the parties may agree such that the Agreement is or remains exempt from or in compliance with Section 409A.

(e) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. In the event any provision or term hereof is deemed to have exceeded applicable legal authority or shall be in conflict with applicable legal limitations, such provision shall be reformed and rewritten as necessary to achieve consistency and compliance with such applicable law.

(f) Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as it deems are required to be withheld pursuant to any applicable law or regulation.

(g) Entire Agreement. This Agreement constitutes the complete and exclusive agreement between the Executive and the Company with respect to the subject matter hereof and supersedes any and all other agreements, offers or promises, whether oral or written. The Executive has had a full and complete opportunity to consult with counsel and other advisors of his choosing concerning the terms, enforceability and implications of this Agreement. The Company has not made any representations or warranties concerning the terms, enforceability or implications of this Agreement other than as reflected in this Agreement.

(h) Representation by Executive. The Executive is not subject to any agreement, instrument, order, judgment, decree, or other obligation that would prevent him from entering into this Agreement or that would be breached upon performance of his duties hereunder. Executive will defend and indemnify the Company with respect to any claims, demands or causes of action which assert that this representation is not true and correct.

(i) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

CLEARFIELD, INC.

By: /s/ Cheryl Beranek
Its: Chief Executive Officer
Date: 5/7/2024

EXECUTIVE

By: /s/ Anis Khemakhem
Print Name: Anis Khemakhem
Date: 5/7/2024

EXHIBIT 21.1

SUBSIDIARIES OF CLEARFIELD, INC.
As of September 30, 2026

None.(1)

(1) On November 11, 2025, the Company completed the sale of its Nestor Cables business, which consisted of the sale of all of the shares of Clearfield Finland Oy (a limited liability company incorporated under the laws of Finland), the parent company of Nestor Cables Oy (a limited liability company incorporated under the laws of Finland), which was the parent company of Nestor Cables Baltics OÜ (a limited liability company incorporated under the laws of Estonia). As a result of the sale of the shares of Clearfield Finland Oy, Clearfield, Inc. has no subsidiaries.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No. 333-264533 on Form S-3 and Registration Statement Nos. 333-44500, 333-136828, 333-151504, 333-166495, 333-173793, 333-217652, 333-237947, and 333-269963 on Form S-8 of our reports dated November 17, 2026, relating to the consolidated financial statements of Clearfield, Inc. and the effectiveness of Clearfield Inc.'s internal control over financial reporting appearing in this annual report on Form 10-K for the year ended September 30, 2026.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota

November 17, 2026

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S 8 (File No. 333-44500, File No. 333-136828, File No. 333-151504, File No. 333-166495, File No. 333-173793, File No. 333-217652, File No. 333-237947, and File No. 333-269963) and Form S 3 (File No. 333-264533) of Clearfield, Inc. of our report dated November 15, 2024, before the effects of the adjustments to retrospectively apply the change in reportable segment disclosures described in Note 12 and assets held for sale and discontinued operations described in Note 11, relating to the consolidated financial statements, which appears in this Form 10-K for the year ended September 30, 2024.

/s/ Baker Tilly, US, LLP

Minneapolis, Minnesota

November 17, 2026

Exhibit 31.1

CERTIFICATION

I, Cheryl Beranek, certify that:

1. I have reviewed this annual report on Form 10-K of Clearfield, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

November 17, 2026

/s/ Cheryl Beranek
Cheryl Beranek
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Daniel Herzog, certify that:

1. I have reviewed this annual report on Form 10-K of Clearfield, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

November 17, 2026

/s/ Daniel Herzog
Daniel Herzog
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32

CERTIFICATION

The undersigned certifies pursuant to 18 U.S.C. Section 1350 that:

1. The accompanying Annual Report on Form 10-K for Clearfield, Inc. (the "Company") for the period ended September 30, 2026, fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 17, 2026

/s/ Cheryl Beranek
Cheryl Beranek
Chief Executive Officer

/s/ Daniel Herzog
Daniel Herzog
Chief Financial Officer