

## 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 countries in the Caribbean, Canada, Central and South America.

The following table presents our domestic and international sales for each of the last three fiscal years:

	Year Ended September 30,		
	2019	2018	2017
United States	\$ 78,553,000	\$ 72,295,000	\$ 67,901,000
All Other Countries	6,481,000	5,356,000	6,047,000
Total Net Sales	<u>\$ 85,034,000</u>	<u>\$ 77,651,000</u>	<u>\$ 73,948,000</u>

**Long-lived assets:** As of September 30, 2019 and 2018, the Company had property, plant and equipment with a net book value of \$1,406,546 and \$412,755, respectively, located in Mexico.

## NOTE F – ACQUISITION

On February 20, 2018, the Company completed the acquisition of a portfolio of Telcordia certified outdoor active cabinet products from Calix, Inc. (“Calix”) upon the terms and conditions contained in an Asset Purchase Agreement dated February 20, 2018.

The introduction of the Clearfield active cabinet line provides customers a single point of contact for cabinet solutions—both passive and powered. The acquisition enables Clearfield to expand its Fiber-to-Anywhere expertise to include active powered electronic cabinet platforms while leveraging its supply chain. The acquisition also enables Clearfield to capitalize on and expand its reach to a broader customer base, including service providers in the Tier 1 and Tier 2 markets.

Acquisition date fair value of the consideration transferred totaled \$10,350,000 which was comprised of a cash payment of \$10,350,000 from the Company’s cash operating account. We assumed no liabilities in the acquisition.

The following table summarizes the estimated fair values of the assets acquired at the acquisition date:

	February 20, 2018
Inventories	\$ 2,781,000
Property, plant and equipment	58,000
Trademarks	563,000
Customer relationships	3,742,000
Product certification	1,068,000
Goodwill	2,138,000
Total Assets	<u>\$ 10,350,000</u>

The active cabinet acquisition resulted in \$2,138,000 of goodwill, which is expected to be deductible for tax purposes. Specifically, the goodwill recorded as part of the acquisition of the Calix active cabinets includes the expected synergies and other benefits that we believe will result from combining the operations of active cabinet lines with the operations of Clearfield, Inc.