
Strictly Private & Confidential

Mr Courtney Spencer, Mr Ethan Jacks and Mr John C. Bowen
Managing Partners
MediaBridge Capital Advisors
7 Cider Hill Lane
Sherborn, Massachusetts 01770

20 January 2025

Letter of Intent — Lectrosonics Corporation

Dear Courtney, Ethan and John,

Thank you for allowing Freedman Electronics Pty Limited ("Freedman Electronics") to explore a potential acquisition of Lectrosonics, Inc., a New Mexico corporation, and its subsidiaries and affiliated entities (collectively "Lectrosonics" or the "Company"). Your responsiveness, cooperation, openness and transparency has been greatly appreciated.

We are pleased to submit this non-binding and indicative Letter of Intent to acquire 100% of the equity in Lectrosonics ("LOI"). This LOI outlines the principal terms and conditions under which Freedman Electronics, or one of its subsidiaries, would be willing to acquire Lectrosonics from its stockholders (collectively, the "Vendor") (such transaction, the "Proposed Transaction").

Introduction

Freedman Electronics was established in Sydney in 1967, initially representing the German sound equipment brand Dynacord.

The RØDE brand was created by Freedman Electronics in the early 1990s. Over more than thirty years of trading history, RØDE has evolved from a focus on specialist microphones to a market leading manufacturer of affordable, high-quality microphones and production equipment for a wide range of content creators.

RØDE's microphone product range includes a suite of broadcast, studio, mobile and wireless microphones. Over time our product range has expanded to comprise both audio and video production equipment, headphones, accessories and in house developed software.

RØDE's products are currently sold to customers in 115 countries around the globe, via a network of over 70 distributors and over 8,000 dealers.

Given the history of Freedman Electronics and the RØDE brand, we greatly admire the heritage and iconic status of Lectrosonics, which is widely regarded as the system of choice for top production sound mixers in Hollywood and worldwide, known for its exceptional sound quality, RF range and extreme reliability. These hard-earned qualities are pivotal to the Company's standing in the professional audio industry, particularly within film and television production.

We are very excited by the opportunity to partner with Lectrosonics' management team and staff to support the continued growth of Lectrosonics and build upon its impressive legacy. We will be strong advocates for Lectrosonics and trusted custodians of the Lectrosonics brand.

Our mindset is that the combination of Freedman Electronics and Lectrosonics would be a partnership of mutual learning, collaboration and innovation in the pursuit of technical and product excellence. A partnership that would be mutually beneficial to both brands.

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We intend to invest in Lectrosonics to grow the business as a stand-alone division while leveraging the complementary capabilities of Freedman Electronics to continue to develop Lectrosonics' brand, products, people and culture. We recognise the support of Lectrosonics' management team and people is crucial to Lectrosonics' growth and long-term success and we intend to continue to invest in developing the capabilities of the Lectrosonics team. The prospect of expanding and diversifying our audio presence is exciting, as too is the opportunity to collaborate with Lectrosonics' R&D and engineering teams to accelerate and further strengthen the existing NPD pipelines of both RØDE and Lectrosonics.

Summary of Intent

We have conducted a review of the information you have provided to us to date, including the Lectrosonics Confidential Information Memorandum ("CIM"), company reviewed financial statements and various other information shared by you and in discussions with you and management up to and including our meeting in Rio Rancho on 9 December 2024 (collectively the "Lectrosonics Information").

Based on Lectrosonics Information and the terms outlined in this LOI, Freedman Electronics is pleased to submit this proposal to acquire 100% of the outstanding equity in Lectrosonics, including its intellectual property, land, buildings and facilities, for a total cash consideration of [REDACTED] (the "Consideration"). Subject to the terms and conditions generally outlined in this letter, this proposal is structured as follows:

- An upfront payment of [REDACTED]; and
- An additional payment of [REDACTED]

This proposal is based on the Lectrosonics Information, the assumptions outlined herein, and the terms and conditions set forth in this letter.

Further details of our proposal are provided below:

1. Valuation: Our proposal is exclusively based on our review of the Lectrosonics Information. We have not yet conducted a detailed review of any Quality of Earnings Report or Lectrosonics' financial accounts, or conducted commercial, tax, HR, IT, technical or legal due diligence in respect of Lectrosonics.

For the purpose of this LOI, we have assumed:

- the Lectrosonics Information is correct in all material respects;

[REDACTED]

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2. Structure: Freedman Electronics, or one of its subsidiaries, intends to consummate the transaction through the [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
3. Funding: Freedman Electronics will fund the Proposed Transaction through [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
4. Management and Employees: Retention of the senior management and executive leadership team ("Key Employees") is important to Freedman Electronics. We have assumed Key Employees outlined in the Lectrosionics Information will continue in their current roles post-completion and would expect they be placed on typical contracts as part of this process (as necessary), including an incentive plan. We intend to work with the Vendor to identify these Key Employees and meet them as part of the process. In addition, the Rio Rancho operations are strategic and Freedman Electronics expects to invest over the short-medium term in growing these operations and its workforce.

5. Due Diligence Plan: We are ready to begin our due diligence and have, or intend, to appoint the following advisers:

	Adviser
Financial	PwC
Tax	PwC
Legal	Brownstein Hyatt Farber Schreck

We will evaluate the need to appoint additional advisers following a review of the materials made available during the next phases of the process.

Our advisers are currently preparing and will submit detailed Information Request Lists during the next phase of the process to facilitate due diligence. Our due diligence may include additional site tours of Lectrosonics' facility in Rio Rancho, further meetings with the Lectrosonics senior management team and review of products and NPD pipeline.

6. Review and Approvals: Freedman Electronics has received necessary internal approvals to submit this LOI. A binding agreement remains subject to:

- satisfactory completion of legal, accounting, tax, HR, IT, technical and commercial due diligence (as required);
- execution of acceptable binding legal documentation between the parties;
- receipt of required regulatory approvals (if any); and
- final Freedman Electronics Board approval.

The Board of Directors of Lectrosonics has approved this LOI and Vendor shall provide its approval of the Proposed Transaction within 20 days. Consummation of the Proposed Transaction by Lectrosonics and the Vendor will be subject to approval of the definitive terms of the Transaction by the Board of Directors of Lectrosonics and by the Vendor.

7. Timing Consideration: We propose to conduct due diligence in a staged approach as outlined below:

- January 2025: LOI is signed by the Company;
- February 2025 (Phase 1): Completion of commercial, financial and legal due diligence including management meetings and further site tours;
- March 2025 (Phase 2): Completion of remaining confirmatory due diligence (if any) and finalise binding documentation; and
- No later than March 31, 2025 (Phase 3): Signing and closing, subject to binding documentation.

This timetable and our due diligence is subject to the timeliness of responses to information requests and questions raised by us and reasonable access to Lectrosonics' detailed information and management team. This timetable may be amended by mutual agreement between Freedman Electronics and Lectrosonics, including as may be necessary in order to obtain any necessary regulatory approvals and close the transaction on or prior to completion

8. Definitive Agreements: Further to the binding and definitive Proposed Transaction documents, it would be entered into among Freedman Electronics, Lectrosonics and Vendor and would include such representations and warranties, covenants, indemnifications and conditions as are customarily included in an agreement for the sale and purchase of a business of this size and nature including but not limited to: (i) representations as to the financial, legal and operating

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condition of Lectrosonics; (ii) representations that the financial statements of Lectrosonics have been prepared in accordance with consistently applied accounting principles, and are true, accurate and complete; (iii) certain non-compete, non-solicitation and non-hire covenants from the Vendor and (iv) customary indefinite non-disparagement and confidentiality covenants.

The representations and warranties contained in the purchase agreement would survive for eighteen (18) months following the Closing (except for (i) customary "fundamental" representations and warranties such as title/ownership, capitalization, organization, authority, non-contravention, subsidiaries, brokers and related party transactions, which would survive for sixty (60) months following the Closing, and (ii) representations and warranties related to taxes and ERISA / employee benefit plan matters, which would survive until the date that is sixty (60) days after the expiration of the applicable statute of limitations. The Additional Payment shall serve, in part, to secure Lectrosonics' and Vendor's indemnification obligations to Freedman Electronics.

Exclusivity

Freedman Electronics is committed to invest significant time and costs in pursuing the Proposed Transaction. Therefore, to give the Vendor and Freedman Electronics greater certainty of a successful transaction, the Vendor and Lectrosonics will work with Freedman Electronics on a preferred and exclusive basis upon the Company and Vendors signing this LOI until the earlier of April 15, 2025 or the termination of the Proposed Transaction, subject to Freedman Electronics confirming in writing to the Company prior to the end of each Phase that it has completed such Phase as outlined above and continues to intend to acquire Lectrosonics on the terms set out in this LOI ("Exclusivity Period"). During the Exclusivity Period Lectrosonics and each Vendor, and each of their respective related bodies corporate, affiliates, representatives, officeholders, and shareholders will not, without the prior written consent of Freedman Electronics;

- continue any discussions with;
- enter into new discussions or directly or indirectly cooperate with;
- solicit any proposal from; or
- allow access to any diligence information, management presentations or key management to,

any other person ("Other Parties") who has expressed an interest (formally or informally) to pursue any transaction with the Vendor or Lectrosonics or who might reasonably be expected to have an interest to pursue a similar transaction which, if consummated on its proposed terms, would prevent or otherwise prejudice in any respect the achievability of the transaction with Freedman Electronics.

This is taken to mean in relation to any proposal, offer or indication of interest, in writing or otherwise, for the acquisition of all or any portion of Lectrosonics, its stock or assets, or its business or a share investment into the Company. Moreover, the Exclusivity Period shall be automatically extended for any delays relating to Vendor approval of the Proposed Transaction and otherwise for one additional 15 day period upon written notice from Freedman Electronics so long as Freedman Electronics is actively engaged in good faith efforts to consummate the Proposed Transaction. Lectrosonics and Vendor shall immediately notify Freedman Electronics of any submissions, proposals, offers or inquiries made during the Exclusivity Period. In the event such a proposal is received, Lectrosonics and Vendor will promptly notify any such third party of the existence of this exclusivity covenant and of their unwillingness to discuss any other proposed transaction during the Exclusivity Period.

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Contacts

If you wish to discuss any aspect of this LOI, please contact either myself (+61 419 400 514 and peter@rode.com), or:

James Hocking

Partner

Mobile: +61 409 203 163

Email: james.hocking@pwc.com

Troy Porter

Partner

Mobile: +61 410 667 516

Email: troy.porter@pwc.com

Confidentiality

This LOI and any other information which has been or will be provided by Freedman Electronics and any documents which incorporate any part of the preceding information (collectively "Freedman Electronics Information") are strictly confidential and subject to the below, the existence of and the terms and contents of the Freedman Electronics Information and Freedman Electronics' interest in the Proposed Transaction may not be disclosed without Freedman Electronics' written consent.

Freedman Electronics Information remains the sole property of Freedman Electronics and may only be used for the sole purpose of the Proposed Transaction with Freedman Electronics and for no other purpose, including transactions with third parties.

Freedman Electronics Information may be disclosed to employees, directors and advisors of Lectrosonics on a need to know basis for the sole purpose of evaluating the Proposed Transaction with Freedman Electronics, provided Lectrosonics instructs those people in writing to keep that information strictly confidential in accordance with this LOI.

This LOI expresses our current intentions only. It is not an offer capable of acceptance and, except as provided immediately below, does not give rise to a binding contract or other legal right or obligation. It does not constitute a commitment to acquire any assets or securities of Lectrosonics. Notwithstanding the foregoing, the provisions above regarding Exclusivity and Confidentiality are binding on the parties.

Unless and until a binding transaction agreement relating to the Proposed Transaction is entered into between Freedman Electronics or its nominee and any conditions precedent are satisfied, neither Freedman Electronics or its nominee will be under any obligation whatsoever with respect to the Proposed Transaction except with respect to any confidentiality agreements entered into by Freedman Electronics or its affiliates in connection with the Proposed Transaction.

Conclusion

Each party to this LOI shall be responsible for its own fees and expenses incurred in connection with the preparation and negotiation of the Proposed Transaction. This LOI may be executed in counterparts and by the exchange of electronic signature pages, including by DocuSign.

We are excited about working with you and Lectrosonics to build upon Lectrosonics' success. We thank you for the opportunity to submit this LOI and look forward to discussing it further with you.

[SIGNATURES ON NEXT PAGE]

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Yours faithfully,

[Redacted Signature]

Peter Freedman
Chairman & Founder
Freedman Electronics Pty Ltd

Acknowledged and Agreed,

Lectrosonics, Inc.

[Redacted Signature]

By: Wesley Herron
Its: President
Date: January 21, 2025

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