

Sphere Medical Holding plc  
Life Sciences Hub Wales  
3 Assembly Square  
Cardiff Bay  
Wales CF10 4PL

Panmure Gordon (UK) Limited  
One New Change  
London  
EC4M 9AF

18 August 2017

Dear Sirs

**Sphere Medical Holding plc**

We, Octopus Investments, as discretionary manager of Octopus AIM VCT plc and of Octopus AIM VCT 2 plc, confirm present holdings in the company's ordinary shares of 3,750,000 and 2,500,000 respectively.

In respect of the proposed transaction, (a) cancellation of admission of the Company's ordinary shares of £0.01 each to trading on AIM (the "**De-Listing**"); and (b) investment by Omnis Income & Growth Fund, CF Woodford Equity Income Fund and Woodford Patient Capital Trust plc (each managed by Woodford Investment Management Limited) ("**Woodford**") and The Wales Life Sciences Investment Fund LP (managed by Arthurian Life Sciences Limited) ("**Wales Fund**") (or affiliates thereof) in the aggregate sum of £5 million by means of a subscription of convertible preferred shares in the capital of the Company (conditional upon the De-Listing) resulting in Woodford holding 30 per cent. or more of share capital of the Company; and (c) investment by other parties of up to £3 million by means of a subscription of convertible preferred shares in the capital of the Company (the "**Investment**") we currently intend to vote in favour of resolutions, while funds under our management hold shares in the company, to put the proposed transaction into effect.

No obligations shall be deemed to be created, or be brought into effect, by this letter and no party to this letter shall have recourse to any other party under the terms of this letter.

Yours faithfully



Richard Power  
For Octopus Investments Limited