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If you have sold or otherwise transferred all of your Ordinary Shares prior to the Record Date, please send this document, together with its accompanying documents, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Executive Chairman of the Company which contains the unanimous recommendation by the Directors to Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting. The Company and the Directors, whose names appear on page 5 of this document, accept responsibility both individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

PINNACLE TECHNOLOGY GROUP PLC

(incorporated and registered in England & Wales with registered number 5259846)

Proposed Authority to Allot Shares under Section 551 of the Companies Act

2006

Proposed Dis-application of Pre-emption rights

Proposed Change of Name to adept4 plc

Notice of General Meeting

Notice of a general meeting of Pinnacle to be held at 10.00 a.m. on 13 June 2016 at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Pinnacle's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible but in any event so as to arrive not later than 10.00 a.m. on 10 June 2016 together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed. Alternatively, if you hold Ordinary Shares in uncertificated form, you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual ensuring that it is received by (under CREST participant ID: 3RA50) by no later than 10.00 a.m. on 10 June 2016 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). Completion and return of a Form of Proxy or use of the CREST electronic proxy appointment service will not preclude Shareholders from attending and voting in person at the General Meeting should

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DEFINITIONS

The following definitions apply throughout this Circular unless the context otherwise requires:

“Acquisition”	means the acquisition by the Company’s subsidiary Pinnacle Cloud Solutions Limited of the entire issued share capital of adept4
“Act”	means the Companies Act 2006 (as amended)
“adept4”	means adept4 Limited, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 06056115
“AIM”	means the market of that name operated by the London Stock Exchange
“AIM Rules for Companies”	means the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
“AIM Rules for Nominated Advisers”	means the rules for nominated advisers to AIM companies, as published and amended from time to time by the London Stock Exchange
“BGF”	means BGF Investments LP acting by its general partner
“certificated” or “certificated form”	means not in uncertificated form
“Company” or “Pinnacle”	means Pinnacle Technology Group PLC, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5259846
“CREST”	means the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations
“Directors”	means the directors of the Company at the date of this Circular whose names are set out on page 5 of this Circular
“Existing Issued Share Capital”	means the 227,065,100 Ordinary Shares in issue as at the date of this Circular
“Form of Proxy”	means the form of proxy relating to the General Meeting being sent to Shareholders with this Circular
“FCA”	means the Financial Conduct Authority of the United Kingdom
“FSMA”	means the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	means the general meeting of the Company convened at 10.00 a.m. on 13 June 2016 (or any adjournment of it), notice of which is set out on page 9 of this Circular
“Group”	means the Company and its subsidiary undertakings
“Loan Notes”	the £5,000,000 of unsecured loan notes issued to BGF

“London Stock Exchange”	means London Stock Exchange plc
“Option”	means the option to subscribe for 50,000,000 Ordinary Shares proposed to be granted to BGF, pursuant to an option agreement of 26 May 2016
“Ordinary Shares”	means the ordinary shares of 1 penny each in the capital of the Company
“Record Date”	means 10 June 2016
“Resolutions”	means the resolutions set out in the notice of the General Meeting on page 9 of this Circular
“Shareholders”	means holders of Ordinary Shares
“uncertificated” or “uncertificated form”	means recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	means the United Kingdom of Great Britain and Northern Ireland
“Voting Record Time”	means 10.00 a.m. on 10 June 2016
“£” or “Pounds”	means UK pounds sterling, being the lawful currency of the United Kingdom

PART I

LETTER FROM THE CHAIRMAN

PINNACLE TECHNOLOGY GROUP PLC

(incorporated in England and Wales with registered number 5259846)

Directors:

Gavin Lyons (*Executive Chairman*)

Ian Winn (*Finance Director and Chief Operating Officer*)

Simon Duckworth OBE DL (*Non-executive Director*)

Dr Tom Black (*Non-executive Director*)

Registered Office:

5 Fleet Place

London

EC4M 7RD

27 May 2016

To holders of Ordinary Shares and, for information only, to holders of options or warrants over Ordinary Shares

Dear Shareholder

The Company today announced that it had acquired the entire issued share capital of adept4 Limited for initial consideration of £4.5 million in cash and deferred consideration of £1 million in cash payable in January 2018. In addition, up to a further £1.5 million is payable in March 2018, dependent on certain performance criteria for the year ended 31 December 2017.

In order to fund the Acquisition, Pinnacle has issued £5 million of unsecured loan notes to BGF. The Loan Notes have a 7 year term, with redemption permissible from the third anniversary and required from the fifth anniversary, and carry interest at a rate of 8% per annum. In addition, Pinnacle has agreed to grant BGF an option to subscribe for 50,000,000 Ordinary Shares at a price of 6 pence per Ordinary Share. The issue of the Option is conditional on the passing of certain shareholder resolutions at the General Meeting.

In addition, the Company today announced that it intends to change its name to adept4 plc following the disposal of the trade and assets of Pinnacle CDT Limited, which represented the last of the Group's legacy businesses acquired prior to 2016.

The grant of the Option and the change of the Company's name to adept4 plc are conditional, *inter alia*, on the passing of certain resolutions by Shareholders at the General Meeting, notice of which is set out on page 9 of this Circular.

2. Further Details on adept4

adept4 provides IT as a Service encompassing fully managed IT service contracts, cloud-based services, professional services, software support and development. The business was founded in 2007 and has been jointly owned by three directors, Peter Birkett, Paul Talbot and Steve Cosgrove, since 2009. All three directors are remaining with the business post acquisition. adept4 is headquartered in Warrington with offices in Brighton and Aberdeen and delivers both remote and on-site support throughout the UK and internationally. adept4 has a dedicated professional services team comprising a mix of software, infrastructure and project management who are able to transition customers into a fully managed service, supported by a 24x7x365, UK based helpdesk.

adept4 has expanded rapidly through a mixture of organic growth and targeted acquisitions to extend the business' service offering and access new sectors. adept4's recent focus has been on generating monthly recurring contracted revenue and extending the lengths of its contracts which currently average between three and six years. It has an existing customer base of c.60 and the vast majority of its larger

customers have been acquired via referral, both from other customers and its technology partners, in particular Microsoft.

adept4 was awarded Tier 1 Microsoft SPLA and Cloud Service Provider status in November 2015. The business is increasingly moving towards the asset light, cloud-based platform, MS Azure, which as well as incurring lower licensing and data centre expenses also reduces implementation costs and offers a broad range of cloud-based products. Other key vendor partners include VMware, Veeam, Cisco, BT and HP.

For the year ended 31 December 2015, adept4's revenues amounted to £5.0 million, of which 67% were recurring, with a profit before tax of £0.51 million. EBITDA for the year to 31 December amounted to £0.75 million with over 90% of EBITDA converted to free cash flow. Gross assets as at 31 December 2015 were £1.9 million. The business currently employs 46 people.

Initial consideration for the Acquisition was £4.5 million in cash. Deferred consideration of £1 million in cash is payable in January 2018. In addition there is a potential earn-out payment of up to £1.5 million in cash in March 2018, dependent on certain performance criteria being achieved in the 12 months to 31 December 2017.

3. Financing of the Acquisition

The initial consideration for the Acquisition was financed by the issue of £5 million of unsecured loan notes to BGF. The Loan Notes have a 7 year term, with redemption permissible from the third anniversary and required from the fifth anniversary, and carry interest at a rate of 8% per annum. In addition, Pinnacle has agreed to grant BGF an option to subscribe for 50,000,000 Ordinary Shares at a price of 6 pence per ordinary share. The grant of the Option is conditional on the passing of certain shareholder resolutions at the General Meeting. In the event that shareholders do not approve the resolutions required to grant the Option, this will result in the Loan Notes having to be repaid immediately. However, Pinnacle has secured sufficient irrevocable undertakings from certain shareholders to vote in favour of the resolutions for the resolutions to be passed. Further details on the irrevocable undertakings can be found in paragraph 5 below.

4. Change of Name

With the recent disposal of the trade and assets of Pinnacle CDT Limited, which completed the disposal of all the legacy Pinnacle businesses, the Directors feel it is now appropriate to rebrand the Group. adept4 has created a strong, defined brand in its locality and the Directors believe that it makes sense to use this brand for the Group as a whole. Therefore, subject to the shareholders' approval by way of a special resolution, it is proposed that the name of the Company be changed to adept4 Plc shortly after the General Meeting. If the resolution to approve the change of name of the Company is passed at the General Meeting, the Company's TIDM will be changed to AD4, and its website address will be changed to www.adept4.co.uk.

5. Irrevocable Undertakings

All of the Directors, in addition to certain other Shareholders, have irrevocably undertaken to vote in favour of the Resolutions in respect of the 174,125,820 Ordinary Shares held by them, representing approximately 76.7 per cent. of the Existing Issued Share Capital.

6. General Meeting

The Company currently does not have sufficient authorities in place under section 551 and section 570 of the Act to grant the Option and the Directors do not have the power to change the Company's name to adept4 plc. Accordingly, the Directors are seeking authority at the General Meeting to grant the Option and approval of the shareholders to the proposed change of the Company's name.

Notice of the General Meeting is set out at the end of this document. The General Meeting will be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, EC4A 1BN on 13 June at 10.00 a.m.

Shareholders have the right to attend, speak and vote at the General Meeting (or, if they are not attending the meeting, to appoint someone else as their proxy to vote on their behalf) if they are on the Register at the close of business on 10 June 2016. Changes to entries in the Register after this time will be disregarded in determining the rights of any person to attend and/or vote at the General Meeting. If the General Meeting is adjourned, only those Shareholders on the Register 48 hours before the time of the adjourned General Meeting (excluding any part of a day that is not a Business Day) will be entitled to attend, speak and vote or to appoint a proxy.

In addition, a Form of Proxy for use at the General Meeting is enclosed with this document (see paragraph 7 below headed "Action to be Taken").

The number of Ordinary Shares a Shareholder holds as at the Voting Record Time will determine how many votes a Shareholder or his proxy will have in the event of a poll.

Explanation of the Resolutions to be proposed at the General Meeting

The notice convening the General Meeting sets out the Resolutions to be proposed at the General Meeting. An explanation of these Resolutions is set out below:

Authority to grant the Option (Resolution 1)

Resolution 1 would give the directors the authority to allot Ordinary Shares for the purposes of the Option up to an aggregate nominal value of £500,000. In addition, the directors are seeking a general authority to allot Ordinary Shares up to an aggregate nominal value of £756,883.67 representing approximately one third of the Existing Issued Share Capital. This authority, if granted, would expire 15 months from the date upon which the resolution is passed or at the conclusion of the Company's 2017 Annual General Meeting, whichever is sooner.

Disapplication of pre-emption rights for the grant of the Option (Resolution 2)

Under the Act, when Ordinary Shares are allotted for cash, they must generally first be offered to existing shareholders pro rata to their holdings. This special resolution, which is conditional upon the passing of Resolution 1, gives the Directors authority, for the period ending on the expiry of the authorities granted under Resolution 1, to allot Ordinary Shares for cash on a non pre-emptive basis for the purposes of the Option up to an aggregate nominal amount of £500,000 and to allot further Ordinary Shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £227,065.10, representing approximately 10 per cent. of the Existing Issued Share Capital.

Change of the Company's name to adept4 Plc (Resolution 3)

This special resolution changes the Company's name to adept4 plc.

7. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to attend the General Meeting you are strongly encouraged to complete, sign and return the Form or Proxy in accordance with the instructions printed on it to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible, and in any event so as to arrive no later than 10.00 a.m. on 10 June 2016 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

If you hold your Ordinary Shares in CREST you may appoint a proxy using the CREST proxy appointment service by following the instructions in notes 5 to 8 to the Notice of General Meeting. The completion and

return of a Form of Proxy or the electronic appointment of a proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

8. Recommendation

The Directors unanimously recommend you to vote in favour of the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their holdings, amounting, in aggregate, to 18,770,770 Ordinary Shares, representing 8.3 per cent. of the Existing Issued Share Capital.

Yours faithfully

Gavin Lyons
Executive Chairman

Pinnacle Technology Group plc (the "Company")

(Incorporated in England and Wales with registered number 5259846)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, EC4A 1BN on 13 June 2016 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, resolution number 1 as an ordinary resolution and resolutions number 2 and 3 as special resolutions:

ORDINARY RESOLUTION

1. THAT in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and are generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "**relevant securities**"):
 - 1.1 up to an aggregate nominal amount of £500,000 in respect of an option to be granted by the Company under a conditional option agreement dated 26 May 2016 (the "**Option**") as described in the circular of the Company dated 27 May 2016 accompanying the notice of general meeting (the "**Circular**") but for no other purpose);
 - 1.2 up to an aggregate nominal amount of £756,883.67 (otherwise than pursuant to sub-paragraph 1.1 above) representing approximately one third of the Company's current issued share capital,

provided that these authorities, unless duly renewed, revoked, varied or extended, will expire on the date falling fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and, the directors may allot relevant securities in pursuance of such an offer or agreement as if the authorities conferred by the resolution had not expired.

SPECIAL RESOLUTIONS

2. THAT, subject to the passing of Resolution 1 above, the directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - 2.1 the allotment of equity securities in connection with an offer by way of a rights issue:
 - 2.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - 2.1.2 to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any applicable regulatory body or stock exchange;

 - 2.2 the allotment (otherwise than pursuant to sub-paragraph 2.1 above) of equity securities in connection with the Option;

2.3 the allotment (otherwise than pursuant to sub-paragraphs 2.1 and 2.2 above) of equity securities up to an aggregate nominal amount of £227,065.10 representing approximately 10 per cent. of the Company's current issued share capital,

provided that the power granted by this resolution will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and, the directors may allot equity securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

3. THAT the name of the Company be changed to adept4 Plc.

Registered Office:
5 Fleet Place
London
EC4M 7RD

By Order of the Board
WJM Secretaries Limited
Company Secretary

Dated: 27 May 2016

Notes:

- 1 Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services PLC on +44 (0370) 707 1017.
- 2 To be valid any form of proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 10 a.m., on 10 June 2016. In the case of a member which is a company, the form of proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.
- 3 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- 4 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard copy form of proxy and would like to change the instructions using another hard copy form of proxy, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 5 In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. In the case of a member which is a Company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 10 a.m. on 10 June 2016. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
- 6 The return of a completed form of proxy, other such instrument or any CREST Proxy Instruction (as described in Note 9 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
- 7 To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register at 6 p.m. on 10 June 2016 (or, in the event of any adjournment, 48 hours before the adjourned meeting (excluding any part of a day that is not a Business Day)). Changes to the Register after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 9 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 10.00 a.m. on 10 June 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 10 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.