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Australian Securities Exchange
Company Announcements Platform

RESOLUTION OF LITIGATION

Mobile Embrace Limited (**ASX: MBE, 'Mobile Embrace' or the 'Company'**) announces that it has settled its ongoing litigation with GBD Ventures Pty Limited in which GBD was suing MBE for \$3.537M for loss alleged to have been incurred by GBD under a digital video advertising inventory supply agreement with MBE.

MBE has denied the claim and has cross-claimed against GBD and two of its shareholders. Under the terms of the settlement, judgment has been entered for MBE on the principal claim brought against it by GBD, and the cross-claim brought by MBE has been dismissed. Under the terms of the settlement, all parties are to be responsible for payment of their own costs.

Although MBE was confident of its position in relation to the cross-claim, in consideration of the significant cost of pursuing the matter through to completion and the inherent uncertainty of litigation and potential of recovery of damages, MBE believes that this commercial settlement is in its best interests.

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