

FOR IMMEDIATE RELEASE



COURT SETS FINAL SCHEDULE IN DIGITAL ALLY'S LAWSUIT AGAINST AXON ENTERPRISE

PRE-TRIAL DEADLINES SET FOR JANUARY 2019

Lenexa, KS | July 25, 2018

Digital Ally, Inc. (NASDAQ: DGLY) is pleased to announce that the U.S. District Court for the District of Kansas set the final pre-trial schedule for its litigation against Axon Enterprise, Inc. ("Axon" formerly TASER International, Inc.). The Court's final scheduling order sets a rapid pace to finalize the litigation with discovery closing on September 17, 2018 and the Final Pretrial Conference taking place on January 16, 2019. A jury trial date will be set shortly after the Final Pretrial Conference.

This trial schedule follows the Court's claim construction order (e.g., the "*Markman* ruling") where the Court rejected all of Axon's arguments and sided with Digital on every issue. In doing so, the Court rejected Axon's attempt to unduly narrow Digital Ally's patent rights and confirmed that Digital's patent claims are not indefinite, as Axon alleged. With this ruling, Axon has now lost every substantive challenge it has made against Digital's patents—four *inter partes* reviews, one *ex parte* reexamination, and the *Markman* ruling.

Digital Ally's litigation against Enforcement Video, LLC (d/b/a WatchGuard Video) ("WatchGuard") also is rapidly moving towards completion with its Final Pretrial Conference set for April 9, 2019. Because WatchGuard is bound by the IPRs and *Markman* ruling in the Axon case, it also will be severely limited in its remaining defenses.

"We are finally closing in on the finish line," said Stanton Ross, Digital Ally's CEO. "Axon and WatchGuard have thrown everything they can at avoiding our patents and we have beaten back every single attempt," said Ross. "With a Final Pretrial Conference in January 2019, the actual trial of this dispute is now in sight. Hopefully this schedule brings certainty to law enforcement agencies across the country that are looking for clarity on the rightful owner of this patented auto-activation technology," Ross concluded.

About Digital Ally

Digital Ally, Inc., headquartered in Lenexa, KS, specializes in the design and manufacturing of the highest quality video recording equipment and video analytic software. Digital Ally pushes the boundaries of technology in industries such as law enforcement, emergency management, commercial fleets, and consumer use. Digital Ally's complete product solutions include in-car and body cameras, cloud and local management software, and automatic recording technology. These products work

seamlessly together and are simple to install and operate. Digital Ally products are sold by domestic direct sales representatives and international distributors worldwide.

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This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. These forward-looking statements are based largely on the expectations or forecasts of future events, can be affected by inaccurate assumptions, and are subject to various business risks and known and unknown uncertainties, a number of which are beyond the control of management. Therefore, actual results could differ materially from the forward-looking statements contained in this press release. A wide variety of factors that may cause actual results to differ from the forward-looking statements include, but are not limited to, the following: the schedule upon which the Company's litigation against Axon Enterprise, Inc. and WatchGuard will proceed; whether the Company will prevail in its patent litigation against Axon and WatchGuard; the amount of any damages that might be awarded to the Company if it is successful in the litigation; competition from larger, more established companies with far greater economic and human resources; its ability to attract and retain customers and quality employees; and the effect of changing economic conditions. These cautionary statements should not be construed as exhaustive or as any admission as to the adequacy of the Company's disclosures. It cannot predict or determine after the fact what factors would cause actual results to differ materially from those indicated by the forward-looking statements or other statements. The reader should consider statements that include the words "believes", "expects", "anticipates", "intends", "estimates", "plans", "projects", "should", or other expressions that are predictions of or indicate future events or trends, to be uncertain and forward-looking. Digital Ally does not undertake to publicly update or revise forward-looking statements, whether because of new information, future events or otherwise. Additional information respecting factors that could materially affect the Company and its operations are contained in its annual report on Form 10-K for the year ended December 31, 2017 and quarterly report on Form 10-Q for the three months ended March 31, 2018, as filed with the Securities and Exchange Commission.