

FOR IMMEDIATE RELEASE



DIGITAL ALLY OBTAINS COMPLETE VICTORY IN CRITICAL COURT RULING AGAINST AXON ENTERPRISE

RULING TRIGGERS FIRM COURT DEADLINES AND A QUICK PATH TOWARD TRIAL

Lenexa, KS | July 20, 2018

Digital Ally, Inc. (NASDAQ: DGLY) is pleased to announce a significant development in its litigation against Axon Enterprise, Inc. (“Axon” formerly TASER International, Inc.). In one of the most case-critical rulings of a patent litigation, the U.S. District Court for the District of Kansas issued its claim construction order, siding with Digital Ally across the board as to the meaning of certain claim terms disputed by the parties. 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.

Not only does the Court’s ruling side with Digital Ally substantively, it also triggers firm deadlines for the remainder of the litigation, rapidly moving the case toward trial. The parties must now complete fact discovery over the next 60 days and the schedule sets a January 4, 2019 deadline to file all dispositive and *Daubert* motions—the last substantive and evidentiary challenges before proceeding to trial. This leaves only pretrial matters to be conducted early in the new year before Digital Ally gets to present its case to a jury.

In parallel litigation brought by Digital Ally against Enforcement Video, LLC (d/b/a WatchGuard Video) (“WatchGuard”), WatchGuard agreed to be bound by the Court’s claim construction in the Axon case. Accordingly, WatchGuard can no longer pursue the invalidity arguments and attempts to narrow Digital Ally’s patent rights rejected by the Court in the Axon case. The litigation against WatchGuard will now proceed toward trial on roughly a similar schedule as Axon.

“Axon and WatchGuard have attacked our intellectual property rights from every angle since the United States Patent and Trademark Office issued multiple patents covering our ground-breaking auto-activation technology for law enforcement cameras,” said Stanton Ross, Digital Ally’s CEO. “Having successfully weathered five separate validity challenges filed by Axon at the Patent Office and its attempts to significantly narrow our patent scope in the District Court, we are grateful to finally push this case toward trial,” said Ross. “We are confident that a Kansas jury will recognize the hard work and ingenuity that led to our patent portfolio and will hold both Axon and WatchGuard accountable for their infringement of our patented 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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