



COMPLETE FRONT- AND BACK-END  
**VIDEO SOLUTIONS**

FOR FLEET VEHICLES, LAW ENFORCEMENT & SITUATIONAL SECURITY

NASDAQ: DGLY



# FORWARD LOOKING STATEMENT

This presentation of Digital Ally, Inc. 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. The Company intends that such forward-looking statements be subject to the safe harbor provided by the foregoing Sections. 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 presentation.

The Company 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. The Company 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, 2018 and quarterly report on Form 10-Q for the three and nine months ended September 30, 2019, as filed with the Securities and Exchange Commission.

# AGENDA

- Digital Ally Overview
- Law Enforcement Solutions
- Commercial Fleet Solutions
- Situational Security Solutions
- Financial Overview
- Future Excitements

# THE POWER OF PARTNERSHIP

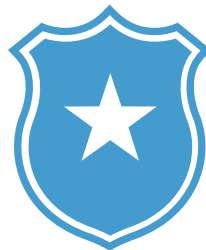


# WHAT WE DO

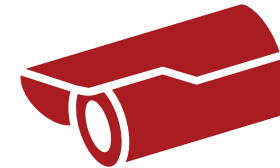
Digital Ally® provides law enforcement agencies, commercial fleet companies and event security teams with the highest quality video solutions and software management. Our product lines consist of body-cameras, vehicle video systems, mobile IP video surveillance systems and flexible video storage solutions.



COMMERCIAL  
FLEET



LAW  
ENFORCEMENT



SITUATIONAL  
SECURITY

# OUR BUSINESS

## **Law Enforcement Products (64% of our business)**

- In-Car Video (81% of total law enforcement)
- Body-Worn Cameras (19% of total law enforcement)
- Customers include city, state, county and federal law enforcement agencies, military, international and domestic

## **Commercial Fleet Products (11% of our business)**

- Incident reporting
- Body-Worn Cameras
- FleetVu Manager: cloud-based (recurring services)
- Customers include ambulance, fire, paratransit, taxicab, mass transit, etc.

## **Recurring Services Law Enforcement and Commercial (25% of our business)**

- Accessories and parts
- Repair and services
- Cloud-based recurring services

# DIGITAL ALLY DIFFERENCE

The Only **COMPLETE**  
Front-to-Back End  
Solution in the Industry

The **INNOVATION**  
leader, with the  
Patents to Prove It

**FLEXIBLE** video  
solution design and  
support to meet your  
specific needs



**LAW ENFORCEMENT**



# LAW ENFORCEMENT SOLUTIONS



EVO-HD



FirstVu HD



DVM-800

*VuLink wirelessly auto-activates all video systems*

*VuLink built into EVO-HD*

*Auto-activation requires VuLink module for FirstVu and DVM-800*



# FLEXIBLE STORAGE SOLUTIONS



**Cloud:** Eliminate the need for on premises servers and maintenance - powered by Amazon Web Services.

**Hybrid:** Access web-based software from any web enabled device and store video on local servers.<sup>1</sup>

**Local:** Gives agencies the ability to store video evidence locally on premises.<sup>2</sup>

<sup>1</sup> Available for EVO-HD and FirstVu HD

<sup>2</sup> Available for DVM-800 and 800 Lite



*“As we looked into video solutions for capturing digital evidence, we chose Digital Ally and haven't been disappointed. They had the most complete solution, and the flexibility of products and support for our unique needs.”*

**MARK MATHIES, CHIEF OF POLICE | EDWARDSVILLE PD (KS)**



**COMMERCIAL FLEET**

# COMMERCIAL FLEET SOLUTIONS



DVM-250



New FLT-250



FirstVu HD

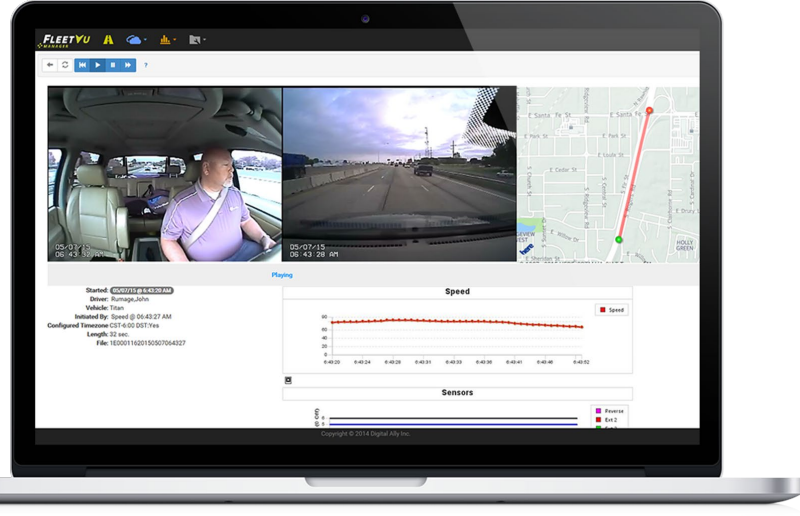
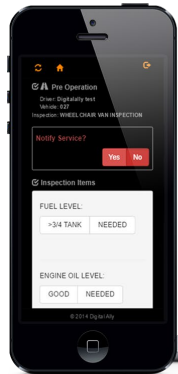


Asset Tracking Unit (ATU)

# CLOUD STORAGE

## FleetVu™ Manager

**Complete Video & Telematics Management Solution.** Digital Ally provides commercial fleet managers with the digital video tools they need to increase driver and passenger safety, track assets in real-time and minimize company liability risks. Generate driver reports, identify at risk behaviors before an incident takes place, manage the entire fleet through a single, easy to use platform.

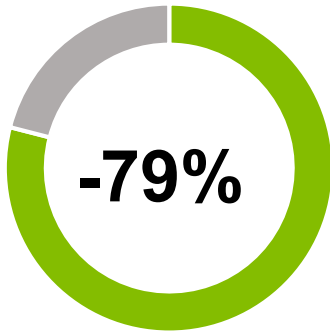


# ROI - MINIMIZE YOUR LIABILITY RISK

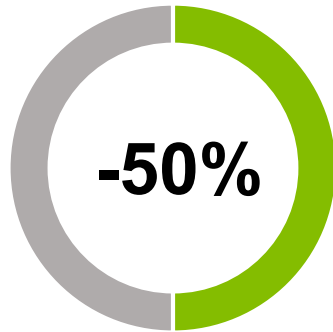
## Accidents

\*Return of Investment (Di Pilla 2004)

Severity



Frequency



Studies on the impact of implementing in-car video systems in vehicles showed that there was a significant reduction in the **frequency** and **severity** of accidents when compared to the prior year.

## Driver Behavior

\*Return of Investment (Di Pilla 2004)

The study showed a reduction of motor vehicle violations & accidents by **75%** and a significant reduction of “**at-risk**” behavior.





*“In a recent expansion of our partnership to our Colorado Springs fleet, we spent 60 days focusing on driver behavior and using it as a coaching period. With a few key changes to our driver safety strategy, zTrip has been able to realize an 80% reduction in claims in only eight months thanks to Digital Ally’s innovative technology.”*

**BILL GEORGE, CEO | zTRIP**





**SECURITY**

**SITUATIONAL SECURITY**

# SITUATIONAL SECURITY



FirstVu HD



IP Camera



PTZ Camera

# TURN-KEY SOLUTION

- Right size your video needs per event
- No need to hire additional staff to manage
- No need to budget for large equipment purchases
- On-site technical personnel available for trouble-shooting and video retrieval
- User training and hardware
- Secure data management with Amazon Web Services
- Management of hardware, upload and storage of video
- Video retrieval and review

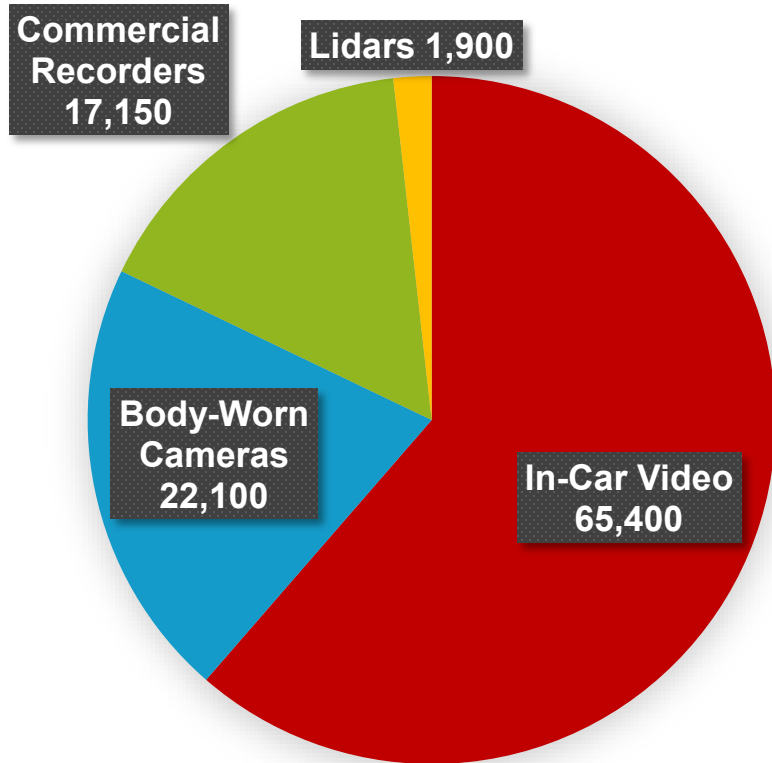


*“After several successful deployments of Digital Ally’s body-worn cameras, we are pleased to announce Digital Ally as a provider in video solutions for MetLife Stadium. Our staff has been impressed with the usability of the hardware and back-end software. The goal of this initiative is to provide our staff with an extra tool when interacting with fans to create an overall better game day experience for everyone.”*

**DANNY DeLORENZI, VP OF SECURITY AND SAFETY SERVICES | METLIFE STADIUM (NY)**

# FINANCIALS

# DEPLOYED UNITS



- All 50 states
- More than 30 other countries world-wide
- Over 9,000 of the 18,500 total law enforcement agencies in the USA
- 18 domestic direct sales representatives
- More than 30 international distributors
- Two individual international customers ranked in our top 5 customers  
*(in terms of number of units deployed)*

# BALANCE SHEET

September 30, 2019  
(Millions)

Cash and Equivalents .....	\$1.3
Other Current Assets .....	\$9.1
Total Current Assets .....	\$10.4
FF&E And the LT Assets .....	\$1.2
<b>Total Assets .....</b>	<b>\$11.6</b>
Accounts Payable & Accrued Expenses .....	\$3.2
Deferred Revenue .....	\$1.7
Secured Convertible Notes – Short-Term.....	\$1.6
Other Current Liabilities.....	\$0.2
Total Current Liabilities .....	\$6.7
Litigation Proceeds Investment Obligation – Long-Term .....	\$6.4
Deferred Revenue – Long-Term .....	\$1.9
Total Liabilities .....	\$15.0
Total Stockholder Equity .....	(\$3.4)
<b>Total Liabilities &amp; Equity .....</b>	<b>\$11.6</b>

# CAPITALIZATION

at September 30, 2019

- Total Shares and Dilutive Securities Outstanding: 15,335,516
  - Total Shares outstanding – 12,079,095
  - Warrants outstanding (\$5.23 weighted avg.) – 4,717,573
  - We will receive \$24.7 million cash upon exercise of these warrants
  - Options outstanding (\$3.74 weighted avg.) – 589,125
  - We will receive \$2.2 million cash upon exercise of these options
- During September 2018: Completed an underwritten public offering of 2,600,000 common shares at \$3.05 per share (total gross proceeds of \$7.3 million before any warrant exercise)
- Total Shares Authorized
  - Common Shares – 50,000,000 (12,079,095 shares outstanding)
- Board Members and Officers have 16.9% in beneficial ownership  
(19.4% with vested stock options)
- Debt Obligations: The Company has the following obligations outstanding:
  - \$6.7 million – Litigation proceeds obligation payable only if and when the Company receives proceeds from settlements or jury awards from patent infringement litigation or licensing agreement
  - \$1.6 million – Secured convertible notes at \$1.4 per share



# MONETIZATION OF ROBUST PATENT PORTFOLIO

## **Auto-Activation Related Patents in Law Enforcement**

- Current patent infringement lawsuit against Axon
- Settlement with WatchGuard for \$6 million
  - License granted through December 2023
  - License can be extended by the parties if necessary
  - Refer to publicly available documents for further details
- Others within the industry may violate our patents

## **Other Patents in the Portfolio**

- Body-Worn cameras
- In-Car video systems
- Wireless electrical conducted weapons
- Breath analysis devices and digital video recorders
- Video “marking”

# FUTURE EXCITEMENT

2019 & Beyond

## 2020 Guidance

- Revenue expected to exceed \$13.5 million for fiscal year 2020
- Continuation of increased recurring service revenue
- Factors:
  - Launch of EVO-HD
  - Commercial Fleet customers
  - New Market Channels

## New Products Will Dominate

- Body-Worn Camera Series
- In-Car Video Systems
  - Law Enforcement – EVO-HD
  - Commercial Fleet – FLT-250
- Storage Solution
  - Hybrid Storage Solution (EVO-HD)
- VuLink (patented) – Litigation
  - RFID Technology (patented)

## Domestic Law Enforcement Market Improving

- Budgets and Funding is becoming less of an issue
- Courts and Juries demanding video evidence
- Liability protection is proven
- Our product suite is second to none

## Potential New Market Channels

- NASCAR and Indy Series Events
- Schools/Universities
- Private & Event Security

# THE POWER OF PARTNERSHIP



# CAPTURE TRUTH<sup>®</sup>

NASDAQ: DGLY

