



## Digital Ally Files Supplemental Briefing with Court for Its Litigation with Axon

### *WatchGuard Settlement Supports Company's Position*

**Lenexa, KS, June 17, 2019 (GLOBE NEWSWIRE) -- Digital Ally, Inc. (NASDAQ: DGLY)**, which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial applications, announces that it filed a supplemental briefing with the United States District Court for the District of Kansas on Friday. The requested briefing updates the Court on Digital's recent settlement agreement with WatchGuard as well as the supplemental expert report prepared by its damages expert, showing how the WatchGuard agreement supports Digital's damages request against Axon.

The requested briefing additionally explains that the supplemental expert report and the WatchGuard settlement are new evidence that support denying Axon's pending motions challenging Digital's damages theories. These theories calculate damages of more than \$68 million for certain Axon revenues realized between February 2, 2016 and August 17, 2018. Because these revenues continue to accrue, the Company will update its damages request before it is presented to a jury. The Company further asks the Court to treble damages based on allegations that Axon has willfully infringed, which permits the Court to triple the Company's final updated damages figure. A ruling on these motions is expected at some point in the future in advance of trial.

This supplement follows a string of victories for Digital with its intellectual property. In April 2019, the Company announced four new patents that it expects will be issuing in the near future relating to further advancements in law enforcement camera technology. This includes the "marking" functionality in Patent No. 9,712,730 that is quickly becoming a new feature requested by Law Enforcement Agencies across the country. The '730 Patent is the same patent Axon previously sought to cancel through a Post-Grant Proceeding at the U.S. Patent Office. As with Axon's prior *ex parte* reexamination request and four previous *inter partes* review challenges at the Patent Office, this request was also unsuccessful. Success at the Patent Office is unprecedented. Despite average success rates of over 60% for Patent Office invalidity challenges against this type of technology, Digital has defeated all six challenges filed against its patents.

"We have said from the beginning that we own the fundamental patents for auto-activation of law enforcement cameras," said Digital Ally's CEO, Stanton Ross. "The WatchGuard settlement and repeated victories at the Patent Office confirm our engineers' hard work," continued Ross. "The recent actions provide further confirmation that we believe will help the judge and jury see the true value of the technology that Axon has taken without our permission," concluded Ross.

## About Digital Ally

[Digital Ally](#)<sup>®</sup>, 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.

For additional news and information please visit [www.digitalallyinc.com](http://www.digitalallyinc.com) or follow us on Twitter @digitalallyinc and Facebook [www.facebook.com/DigitalAllyInc](http://www.facebook.com/DigitalAllyInc)

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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. will proceed; whether the Company will prevail in its patent litigation against Axon; the amount of any damages that might be awarded to the Company if it is successful in the litigation; whether the U.S. Patent Office will issue four new patents to the Company relating to relating to further advancements in law enforcement camera technology; competition from larger, more established companies with far greater economic and human resources; its ability to attract and retain customers and quality employees; the effect of changing economic conditions; competition from larger, more established companies with far greater economic and human resources; its ability to attract and retain customers and quality employees; the effect of changing economic conditions; and changes in government regulations, tax rates and similar matters. These cautionary statements should not be construed as exhaustive or as any admission as to the adequacy of the Company's disclosures. 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 as a result 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 in its Quarterly Report on Form 10-Q for the three months ended March 31, 2019, as filed with the Securities and Exchange Commission.*