Crossroads Systems Sells Patent Portfolio to Affiliate of Fortress Investment Group

AUSTIN, Texas, November 7, 2017 – Crossroads Systems, Inc. (OTC Pink: CRSS), an intellectual property licensing company, announced that on November 3, 2017, it completed a transaction to sell its patent portfolio to an affiliate of Fortress Investment Group LLC (NYSE: FIG).

The transaction includes:

- Sale of Crossroads’ ‘972 patent portfolio and its non-‘972 patent portfolio as well as related partnership interests. The Fortress affiliate will take over patent monetization efforts with respect to both the ‘972 and non-‘972 patents and the two companies will share the proceeds from such efforts equally (after deducting expenses and a $1.5 Million monetization hurdle).

- Assignment of Crossroads’ existing patent license agreements with all but one licensee. Crossroads has retained the license agreement and breach of contract litigation against Dot Hill Systems, Inc.

- Substitution of the Fortress affiliate into litigation filed against Cisco Systems, Inc., NetApp, Inc., and Quantum Corporation. Recent Federal Circuit Court rulings affirmed the United States Patent and Trademark Office *inter partes* review ("IPR") decisions to invalidate the asserted patents. However, on November 3, 2017, following the assignment of the underlying patents by Crossroads, the Fortress affiliate filed two writs of certiorari with the Supreme Court of the United States challenging the validity of the IPR process.

About Crossroads Systems
Crossroads Systems, Inc. (OTC Pink: CRSS) is an intellectual property licensing company headquartered in Austin, Texas. Founded in 1996 as a product solutions company, Crossroads created some of the storage industry’s most fundamental patents and has licensed patents to more than 50 companies since 2000. Visit [www.crossroads.com](http://www.crossroads.com).

Important Cautions Regarding Forward-Looking Statements
This press release includes forward-looking statements that relate to the business and expected future events or future performance of Crossroads Systems, Inc. and involve known and unknown risks, uncertainties and other factors that may cause its actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could," and similar expressions or phrases identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about Crossroads Systems’ ability to implement its business strategy, changes in the fair value of its derivative instruments and its ability to achieve or maintain profitability. The future performance of Crossroads Systems may be adversely affected by the following risks and uncertainties: variations in quarterly results, developments in litigation to which we may be a party, technological change in the industry, future capital requirements, regulatory actions or delays and other factors that may cause actual results to be materially different from those described or anticipated by these forward-looking statements. For a more
detailed discussion of these factors and risks, investors should review Crossroads Systems’ annual and quarterly reports. Forward-looking statements in this press release are based on management’s beliefs and opinions at the time the statements are made. All forward-looking statements are qualified in their entirety by this cautionary statement, and Crossroads Systems undertakes no duty to update this information to reflect future events, information or circumstances.

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Investor Contact:
Mark Hood
Crossroads Systems
ir@crossroads.com