NEWS RELEASE

CPI Card Group Reaches Settlement in Patent Litigation

9/29/2017

LITTLETON, Colo.--(BUSINESS WIRE)-- **CPI Card Group** (Nasdaq: PMTS, TSX: PMTS), a global leader in financial and EMV® chip card production and related services, today announced that it has reached a settlement with Gemalto S.A to resolve the two patent litigation suits pending in the U.S. District Court for the District of Colorado.

Under the terms of the settlement, CPI Card Group has agreed to make a one-time payment of $750,000 in the fourth quarter of 2017. The settlement will result in the dismissal of both lawsuits with prejudice. The settlement agreement also includes a mutual covenant not to sue for a period of 18 months.

CPI Card Group has denied any wrongdoing in this matter, but is settling to avoid the uncertainty, distraction, and expense of protracted litigation.

“While we were firmly committed to our defense of the claims raised in the suits, we are pleased to end these frivolous suits for a fraction of our legal expenses,” said Steve Montross, President and CEO of CPI Card Group. “We have always maintained that we do not infringe on intellectual property rights of others, and this settlement for an amount less than reserved legal expenses shows the strength of our position. We believe this settlement will allow us to now focus all our efforts on providing high quality products and execution to our customers.”

About CPI Card Group

CPI Card Group is a leading provider in payment card production and related services, offering a single source for credit, debit and prepaid debit cards including EMV chip, personalization, instant issuance, fulfillment and mobile

payment services. With more than 20 years of experience in the payments market and as a trusted partner to financial institutions, CPI's solid reputation of product consistency, quality and outstanding customer service supports our position as a leader in the market. Serving our customers from ten locations throughout the United States, Canada and the United Kingdom, we have the largest network of high security facilities in North America, each of which is certified by one or more of the payment brands: Visa, MasterCard, American Express, Discover and Interac in Canada. Learn more at **www.cpicardgroup.com**.

EMV is a registered trademark or trademark of EMVCo LLC in the United States and other countries.

Forward-Looking Statements

Statements in this press release that are not statements of historical fact are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements may be identified by terms such as statements about our plans, objectives, expectations, assumptions or future events. Words such as "may," "will," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "continue", "project", "plan", "foresee", and other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in such statements. These risks and uncertainties include, but are not limited to: system security risks, data protection breaches and cyber-attacks; market acceptance of developing technologies that make our existing technology solutions and products less relevant; a slower or less widespread continued adoption of contact and dual-interface EMV technology than we anticipate; failure to identify, attract and retain new customers or a failure to maintain our relationships with our major customers; competition and/or price erosion in the payment card industry; failure to accurately predict demand for our products and services; extension of card expiration cycles; our failure to operate our business in accordance with the PCI security standards or other industry standards such as Payment Card Brand certification standards; infringement on our intellectual property rights, or claims that our technology is infringing on third-party intellectual property; difficulties in production quality and process; defects in our software; a decline in U.S. and global market and economic conditions; our substantial indebtedness; failure to meet our customers' demands in a timely manner; potential imposition of tariffs and/or trade restrictions on goods imported into the United States; economic conditions and regulatory changes leading up to and following the United Kingdom's likely exit from the European Union; costs relating to product defects; our dependence on licensing arrangements; inability to renew leases for our facilities; interruptions in our IT systems or production capabilities; the restrictive terms of our credit facility and covenants of future agreements governing indebtedness; non-compliance with, and changes in, laws in foreign jurisdictions in which we operate and sell our products; challenges related to our acquisition strategy; our dependence on specialized equipment from third party suppliers; a competitive disadvantage resulting from chip operating systems developed by our competitors; continued viability of the Payment Card Brands; quarterly

variation in our operating results; and other risks and other risk factors or uncertainties identified from time to time in our filings with the SEC. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Reference is made to a more complete discussion of forward-looking statements and applicable risks contained under the captions “Cautionary Statement Regarding Forward-Looking Information” and “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on March 2, 2017. CPI Card Group Inc. undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise.

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