NEWS RELEASE

CPI Card Group to Sell Canadian Subsidiary to Allcard Limited

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Divestiture is Next Step in Strategy to Optimize CPI Footprint and Sharpens Focus on Core Secure Card Business and Key Strategic Priorities

Allcard to Provide Seamless Transition for Customers and Employees

LITTLETON, Colo.--(BUSINESS WIRE)-- **CPI Card Group Inc.** (Nasdaq: PMTS; TSX: PMTS) ("CPI Card Group" or the "Company"), a global leader in financial and EMV® chip and dual interface card production and related services, today announced that it has entered into a definitive agreement to sell its Canadian subsidiary to Allcard Limited ("Allcard"), a provider of non-secure card solutions to the gift and loyalty sectors.

"Divesting our Canadian subsidiary is the next strategic step toward optimizing CPI's footprint and is consistent with our previously announced plan to better position ourselves to serve customers by focusing on our core businesses including secure card manufacturing, personalization, instant issuance and prepaid," said Scott Scheirman, President and CEO of CPI Card Group. "With this transaction, we streamline our operations and allocate resources to provide customers with unmatched solutions, innovation and world-class service."

Mr. Scheirman continued, "We thank the talented employees of our Canadian subsidiary for their contributions to CPI's success, and we wish them all the best in their future endeavors."

"At Allcard we've always positioned our business to be a "one stop shop" and invested accordingly," said Mark Brown, President of Allcard Limited. "With the acquisition of CPI's Canadian subsidiary, we are bolstering our

offerings and continuing to ensure we have the equipment, experience and technical knowhow to deliver top quality Canadian-made products on time - every time."

The transaction is expected to close within the first several months of 2019, subject to customary approval and other closing conditions. Some portion of the Canadian secure card business is expected to transition to the Company's operations in the U.S., and the remaining secure card business will transition out of the Company before the completion of the transaction.

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 and dual interface, 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 locations throughout the United States and Canada, we have a leading network of high security facilities in the United States and Canada, 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.

About Allcard Limited

Personalized customer solutions, dynamic product innovation and an all-in service offering have positioned Allcard Limited as a leading gift and loyalty card producer in North America. President Mark Brown has assembled a team of industry specialists with proven experience and a sincere desire to connect with customers. Established in 2002 and based in Cambridge, ON, Allcard has branch offices in the GTA, Manitoba and BC. Allcard's Carteplus division provides French-focused services to Quebec and the Maritimes. Alongside conventional card and collateral print and fulfillment capabilities, Allcard offers in-house design services and a full-colour, in-line digital print platform which brings cards to market within days. With an eye to the future, Allcard has invested in environmental stewardship, e-commerce solutions and flexible, customized inventory management. This approach has allowed Allcard to acquire and retain some of the most prominent loyalty card issuance programs in North America, and to serve an ever-changing gift card market sector. For more information, please **contact** Mark Brown as indicated below.

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