



NORTHGATE

NORTHGATE CAPITAL LEADS MXN\$530 MILLION INVESTMENT IN EXTENDED SUITES

- *Extended Suites is the first hotel chain in Mexico focused on servicing the low-cost extended stay market segment.*
- *At least eight new extended stay hotels will be open during the next 12 months.*

Northgate Capital, the global private equity fund manager, along with Alta Growth Capital as co-investor, has led a MXN\$530 million investment in Grupo Estancias Extendidas, S.A. de C.V. (“Extended Suites” or “The Company”). Extended Suites is the first hotel chain in Mexico exclusively focused on servicing the low-cost extended stay market segment. Extended Suites will use the investment to boost its expansion plan of over 40 new properties in the coming five years, beginning with the opening of at least eight new extended stay hotels during the next 12 months.

Extended Suites was founded in 2009 by a Mexican investment group after identifying significant potential in an underpenetrated market segment with limited lodging choices for the business traveler seeking extended stay alternatives. Extended Suites has developed a unique low-cost concept that is easily replicable in many markets. The Company currently operates three hotels in Monterrey, Coahuila and Ciudad del Carmen.

“This partnership is exciting as Extended Suites is executing on its next stage of rapid growth nationwide,” said Efrain Lopez, Chief Financial Officer of Extended Suites. “We are eager to work closely with Northgate Capital and Alta Growth Capital in delivering our value proposition to our target sectors. With our new investors support, we will expand our geographic footprint covering regions that are experiencing rapid economic growth.”

“Mexico is experiencing a strong inflow of capital in diverse industries that will fuel the need for extended stay accommodation in various regions of the country. This situation, combined with the lack of a standardized offer in the low-cost market segment, will allow Extended Suites to capture a large share of the market in the coming years. We are thrilled about this partnership and look forward to developing a successful growth story,” said Gabriel Mizrahi, Director at Northgate Capital Mexico.

“We are excited to provide Extended Suites with the resources and institutional backing to accelerate its growth in this particular niche of the hospitality industry,” said Alejandro Medina, an Investment Manager at Northgate Capital. “Extended Suites standardized but differentiated product offering, together with its experienced and talented managing team, positions the Company for significant expansion. We look forward to continuing to work with Extended Suites management to create a market leader in the hospitality industry,” complemented Rafael Payró, Managing Director of Alta Growth Capital.

About Extended Suites



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Founded in 2009, Extended Suites is the first hotel developer and operator exclusively focused on servicing the low-cost extended stay market segment. The Company has developed a unique and replicable concept in Mexico and currently operates three units with the objective of developing a national chain of over 40 hotels in the coming years. For more information, please visit www.extendedsuites.com.mx

About Northgate Capital

Founded in 2001, Northgate Capital is a leading global private equity fund manager, with offices in [seven] countries and more than US\$5 billion in committed capital, Northgate has built a platform of over 35 investment professionals across Europe, North America, Latin America and Asia. For more information, please visit www.northgate.com

About Alta Growth

Alta Growth Capital, based in Mexico City, manages private equity funds focused on providing expansion capital to middle market companies in Mexico. AGC has been operating in Mexico since 2007 and is now investing its second fund. For more information, please visit www.agcmexico.com

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