SACHEM CAPITAL

NYSE: SACH

Sachem Capital Corp.

Investor Presentation – June 2022

Safe Harbor

This presentation includes forward-looking statements. All statements in this presentation, other than statements of historical facts, including statements regarding our future results of operations and financial position, strategy and plans, and our expectations for future operations, are forward-looking statements. The words “anticipate,” “estimate,” “expect,” “project,” “plan,” “seek,” “intend,” “believe,” “may,” “might,” “will,” “should,” “could,” “likely,” “continue,” “design,” “expectation,” and the negative of such terms and other words and terms of similar expressions are intended to identify forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, some of which cannot be quantified and some of which are beyond our control. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur, and our actual operating and financial results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. In addition, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. We disclaim any duty to update any of these forward-looking statements after the date of this presentation to confirm these statements in relationship to actual results or revised expectations.

All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements as well as others made in this presentation. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties.

Sachem Overview

Sachem Capital Corp. is a mortgage REIT headquartered in Branford, Connecticut. Sachem specializes in originating, investing, underwriting, funding, servicing, and managing a portfolio of short-term, high-yielding real estate loans, historically targeting the “fix-and-flip” and real estate development.

Total AUM	Where is Sachem Traded	Key Markets / States
$482 Million	NYSE: SACH	14

Total Loans	Avg. Executive Mgmt. Tenure	Current Loans
1,750	20+ years	515+

Company Overview (cont.)

- Originally founded in 2009 as a private partnership; grew to 175 partners and approximately $30 million in partners' capital up to the IPO in 2017
- Underpinned by a **highly scalable business model** that drives increased revenue, cash flow, profits, and dividends
- As a REIT, Sachem distributes 90%+ of the Company's taxable income to shareholders as quarterly dividends

Disciplined underwriting and extensive due diligence - focusing primarily on value of underlying collateral

All loans secured by first lien mortgages with **conservative target 70% loan-to-value ratio; all loans require personal guarantee by the principals of the borrowers**

Solid and sustainable lending platform with **strict underwriting criteria and extensive due diligence**

Industry low foreclosure and default rate

Investment Highlights

Loan Portfolio Growth

- Sachem's **loan portfolio has grown to $353.5M** as of March 31, 2022, from $33.8M at year-end 2016
  - Favorable competitive landscape with robust loan pipeline
  - Disciplined underwriting with a conservative loan-to-value ratio
  - **Foreclosure rate representing just 1.5% of the loan portfolio**

Geographic Expansion

- Opportunistically expanding the geographic footprint of the mortgage loan portfolio beyond Connecticut, to include Texas, Florida, and 12 other states

Diversified Portfolio

- Diversified mortgage portfolio:
  - Additional asset classes, such as larger multi-family and higher-end fix-and-flip properties
  - Targeting larger-value commercial loans with financially stable, experienced sponsors

Record Results

- Achieved record revenue of $30.4M and net income attributable to common shareholders of $11.5M in 2021
  - In Q1 2022, **revenue increased 80% to $10.3M, net income attributable to common shareholders of $3.4 million**; achieved 87.8% increase in interest income on the loan portfolio

Low Cost of Capital

- Leveraging low-cost debt financing to support growth in the loan portfolio while minimizing dilution
  - Raised $243.8M of unsecured, unsubordinated notes
  - Line of credit with Wells Fargo bearing interest at 1.75% below prime (1.5% as of December 31, 2021)
  - $200M master repurchase financing facility with Churchill MRA Funding with a rate of 4.7% as of 3/31/22

Target Market and Opportunity

Developers, builders, and investors are facing tightening restrictions in the capital markets

- It can take the SBA 6+ months to close on a large loan
- Competitors have tightened their lending criteria
- Demand for property has outstripped supply

More flexibility in structuring loans than competitors to better meet the needs of the borrower

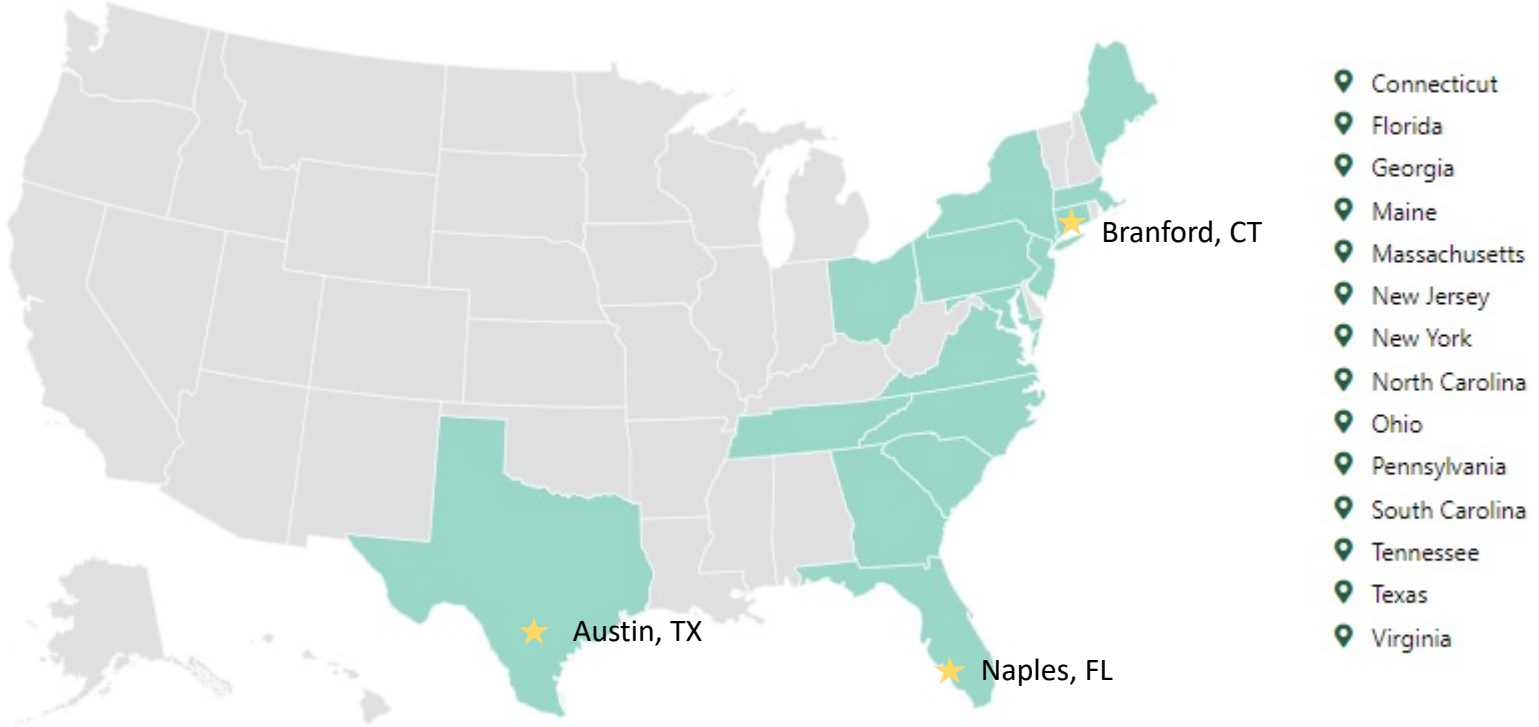
- Sachem can close a loan in as quickly as 5 days, whereas our competitors can take 3-6+ months
- Due diligence is more centered around the value of the collateral rather than the property cash flows or borrower's credit
- Combination of speed and flexibility enables us to adapt to new market conditions

Sachem's latest initiative is to focus on larger sized loans with financially stable, experienced developers

- Offsets rate compression and helps us maintain a low foreclosure rate
- Collateral less susceptible to value swings in the residential market
- Term is generally limited to 1 year to mitigate interest rate risk

Origination Locations

Strong core Eastern Seaboard presence complemented by local lending capability



Sachem Loan Products

Fix-and-Flip Loans

Distressed / Foreclosure Loans

Bridge Loans

New Construction Loans

Mission:

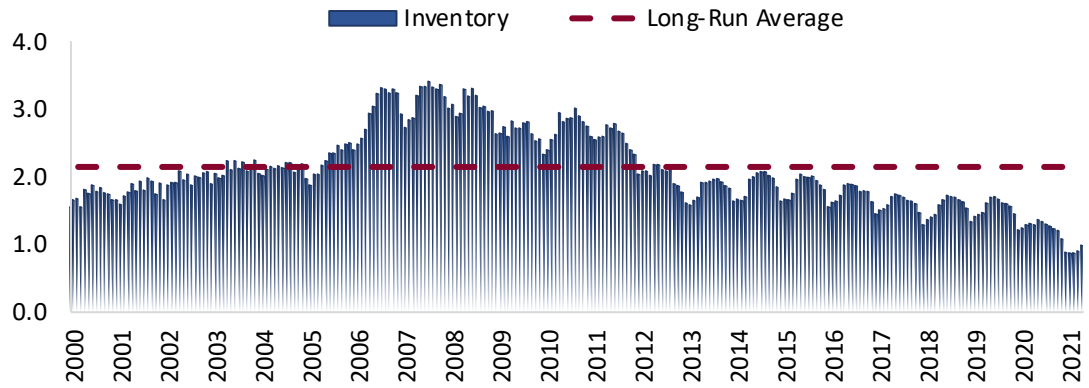
To create value for our clients and shareholders with tailored solutions across real estate assets, that help build better communities

Commercial Real Estate Development

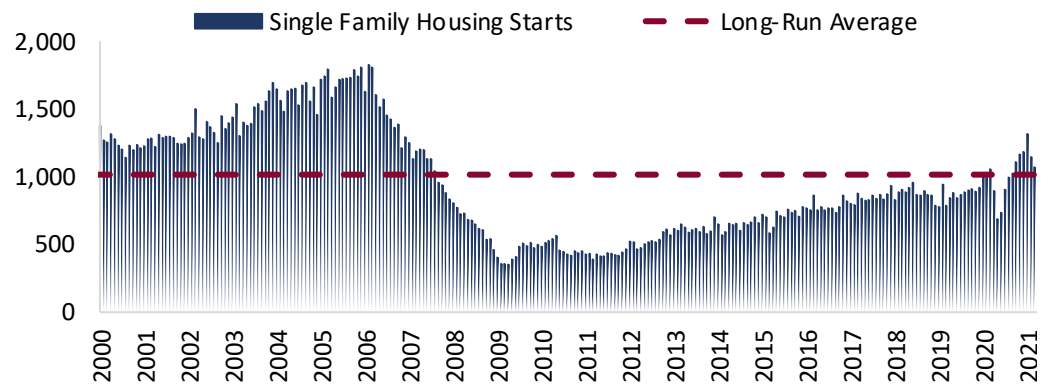
Strong Economic Backdrop

The combination of aged housing stock, declining inventory, continued strong household creation, and consistent housing starts creates a sustainable backdrop of opportunity as a bridge lender to meet the imbalance of supply to demand

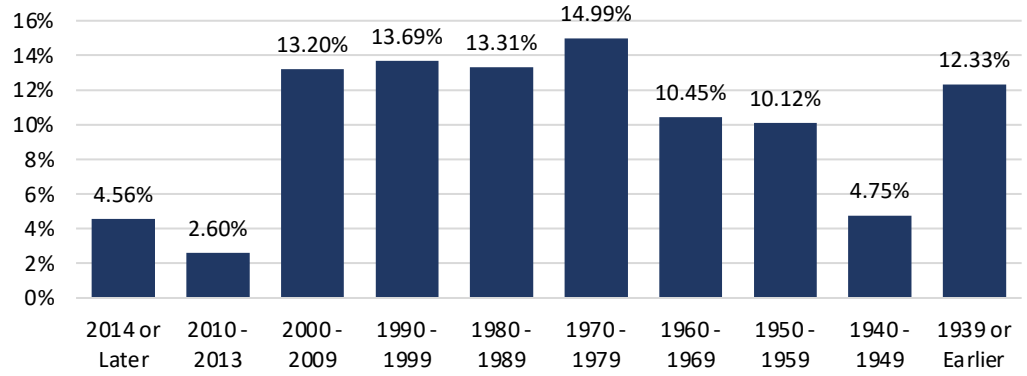
Existing Housing Inventory (in Millions)



Single Family Housing Starts (Seasonally Adjusted Annual Rate)

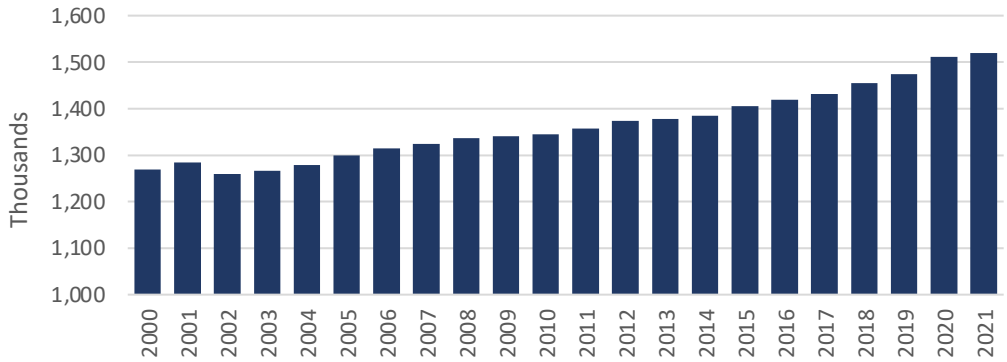


Distribution of Existing Home Age



Source: National Association of Realtors, U.S. Census Bureau, Standard & Poors

Household Estimates

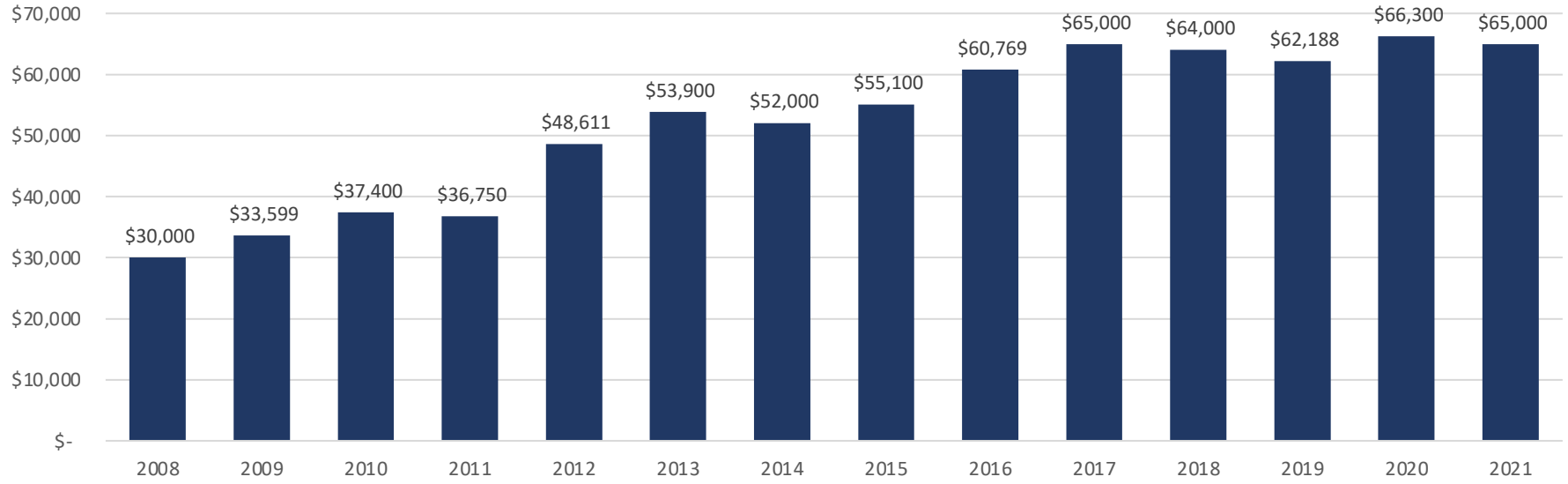


Source: US Census Bureau

Market Overview: Sustainable Fix-and-Flip Activity

- The broader market backdrop continues to support growth for residential construction projects
  - Demand far outpacing available supply
  - Over a decade of under-development has led to aging housing stock in which the median house is ~40 years old

Average Home Flipping Gross Profits Per Transaction

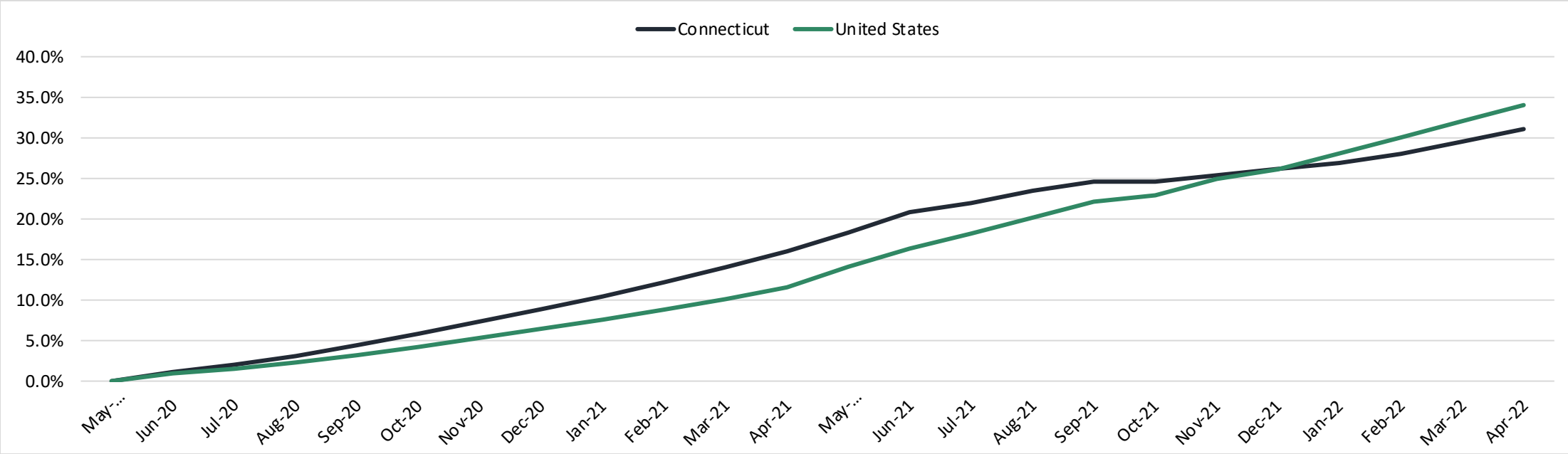


Source: ATTOM Data Solutions

Market Overview: Favorable Home Prices

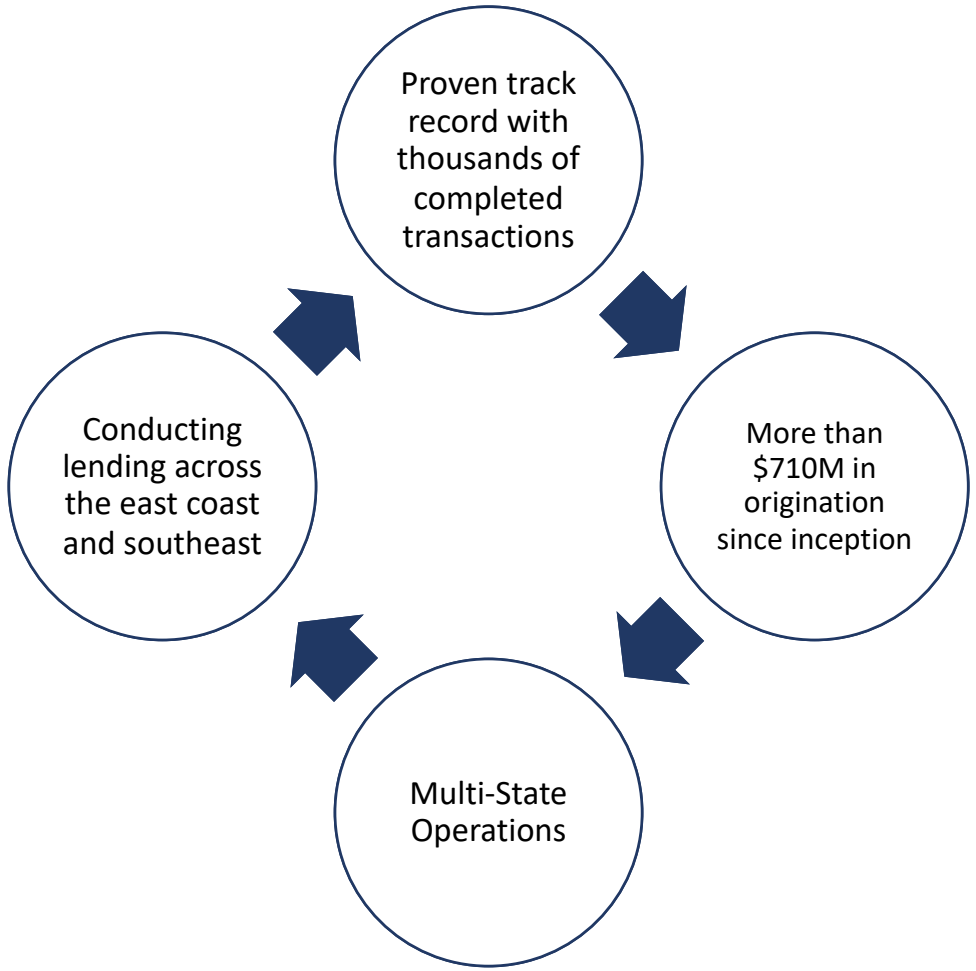
- Sachem's historical primary market (Northeast USA) has benefitted from several trends accelerated by the COVID-19 pandemic:
  - Movement out of dense urban locations, including New York City, to suburban neighborhoods
  - Increased demand for larger, more spacious housing as workers adjust to a greater proportion of remote work
  - Lower interest rates, improving mortgage affordability for home purchasers

One Year Home Price Index



Source: Zillow

The Sachem Advantage



Favorable competitive landscape

- Sachem is able to structure loans to meet the unique needs and business plans of its borrowers
- Many banks and other traditional lenders still have restrictive lending criteria
- Many non-traditional lenders are undercapitalized
- Competitor policies inhibit borrowers' repeat business
- Sachem can close a loan in less than a week versus months for competitors

Loan Process

Origination

- Developed virtual lead platform that can be scaled as needed, both geographically and by deal type
- 4 underwriters and a senior credit officer focusing on deep relationships with borrowers
- Significant repeat business
- Target states with favorable demographic trends and lending laws

Underwriting

- Strict underwriting standards: maximum LTV of 70%, with personal guarantees, and typically cross-collateral on other properties
- Independent appraisal report
- Site visit of underlying property
- Comprehensive review on permits, plans, budgets, records, and property information

Transaction Management

- Legal and settlement located strategically throughout the states we operate in
- Ability to move expeditiously and responsively
- Provide preliminary term sheet within 48 hours of receipt of complete underwriting information

Loan Review

- Thorough analysis and due diligence of assets
- Comprehensive investment memo with financial projections for every loan
- Board level review loans >$5M
- Appraisal "desk" reviews by 3rd party national vendors
- Legal, court record, reputational reviews in addition to credit review

Loan Approval and Funding

- All loans are reviewed and cleared by a Chief Credit Officer and NAMU®-CCUP Certified Commercial Mortgage Underwriter
- Ability to close loan funding within 5 days of preliminary term sheet
- In house legal counsel review of all legal docs
- Internal audit performed as a second level review pre-funding

Servicing and Asset Management

- Frequent communication with borrowers
- Prudent and proactive asset management
- Internal loan servicing
- Ongoing periodic site inspections
- In house CMCA certified property & construction management
- Integration of external construction management vendor for projects over $5 million

Sachem Growth Strategy

- Take advantage of positive trends within the real estate sector
- Capitalize on opportunities due to structural changes that limit competitors' lending
- Grow loan portfolio beyond Northeast, with a focus on Texas, Florida and the Carolinas
- Expand to additional asset classes and higher value loans (e.g., larger multi-family and higher-end fix-and-flip)
- Target larger-value commercial loans with financially stable, experienced sponsors

Goal: To deploy larger amounts of capital with potentially higher returns, better sponsorship, and lower risk

Loan Diversification & Expansion

- Shift to commercial real estate provides a hedge on the residential market given its more typical reliance on cash flow and CAP rate calculations by borrowers/investors
- Interest rates and loan-to-value ratios consistent with historical targets set by Sachem

Representative loans:

- $19.5 million loan for the purchase and conversion of a warehouse in Brighton, Massachusetts into a 28-unit condominium complex within an up-and-coming residential community; Sachem was selected based on its ability to cross-collateralize the loan based on other properties owned by the borrower.
- $11.6 million loan to an experienced developer to acquire and renovate a 466 thousand square foot (47 acre) multi-tenant office complex in Milford, Connecticut, comprised of five three-story buildings, including the corporate headquarters for a national apparel retailer; Sachem was selected based on its ability to close the loan in a much shorter time frame than traditional lenders.
- $9.0 million loan to an experienced developer converting a hotel property in Fairfield County, Connecticut to luxury apartments; Sachem was selected due to its flexibility in lending to meet the unique needs of the borrower.

Loan Diversification & Expansion (cont.)

The Market Opportunity:

Turning Liabilities Into Assets: Vacant, Unused, and Abandoned Properties (images on right):

- Vacant and abandoned properties present daunting challenges to communities nationwide; they drag down local economies, impede population growth, depress property values, increase crime, and impose heavy cost burdens on local governments
- There is a shift toward reutilizing these properties, but local political and economic contexts, as well as limitations of capacity and resources shape the tools that local governments, nonprofits, and neighbors employ to address and reuse vacant and abandoned properties.
- This presents a unique opportunity for the well-funded and well-experienced sponsor entity.

Sachem offers not only a highly skilled team of underwriters but also a commercial construction management vendor to manage the complexities of such projects

Before

After

Successful Initiatives

2018		2021
6 States	**Multi-State Expansion**	14 States
Average loan: $196,000	**Increased Loan Size**	Average loan: $562,000
Average term maturity: 11 months	**Reduced Interest Rate Risk**	Average term maturity: 8 months
Loan origination: $42 Million / $1.4 Million Net	**Loan Origination / Net Fee Growth**	Loan origination: $353 Million / $4.1 Million Net

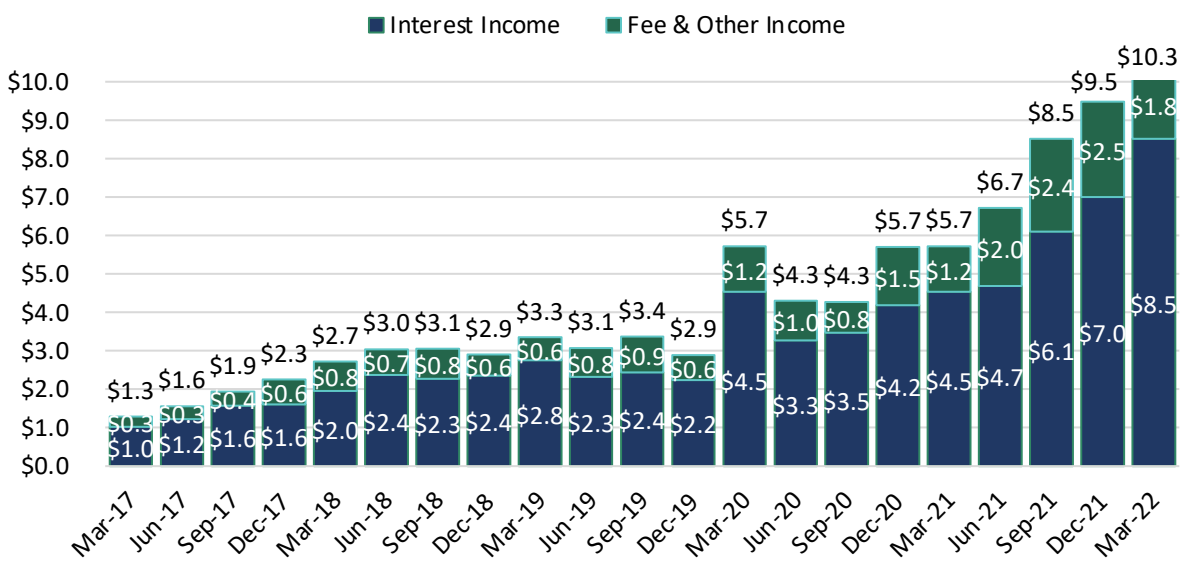
Key Metrics[1]

> $710 million in origination since inception	> 1750 transactions completed	Loans funded in 14 states	Can close a loan as quickly as 5 days
Target LTV of 70%	8 months average term maturity	51.3% of loans in portfolio have term of less than 1 year	Interest rates as low as 6.9%
1% – 3% origination fee	$770,000 average loan size	515+ loans in portfolio	11.30% yield on portfolio

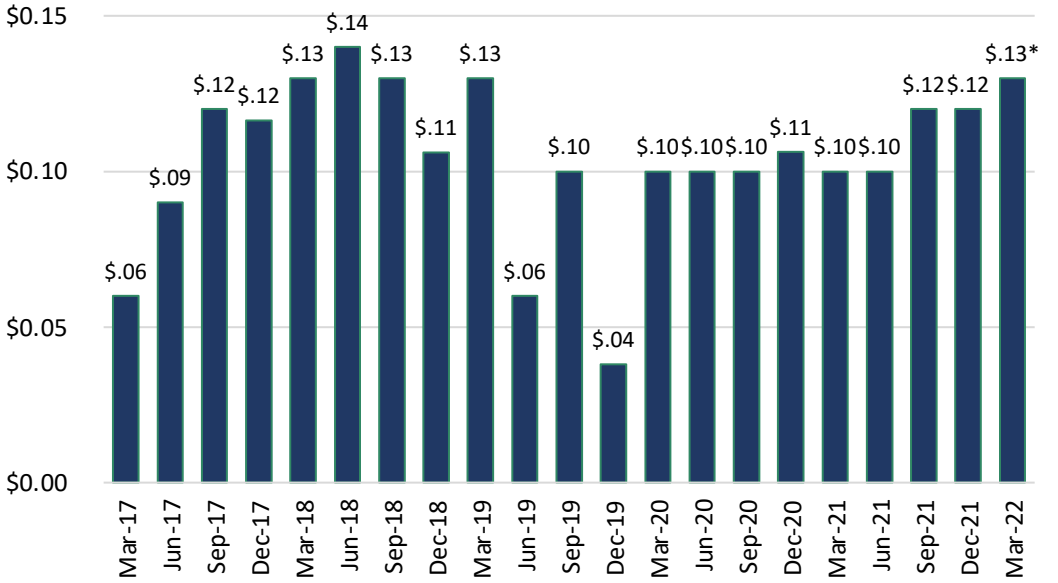
[1] All metrics as of March 31, 2022

Summary Financial Performance

Revenue Breakdown ($ in Millions)



Earnings Per Share



*Q1 2022 excludes unrealized loss on investment securities

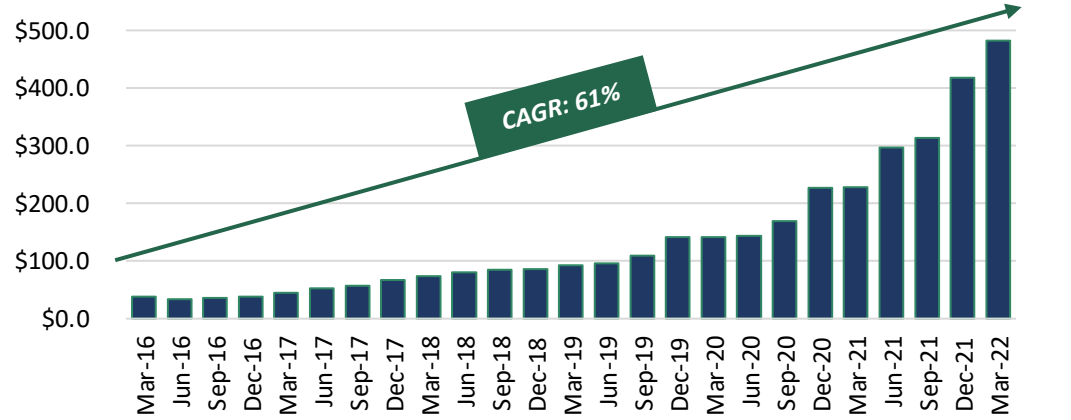
Loan Portfolio Performance

Summary Loan Portfolio Overview

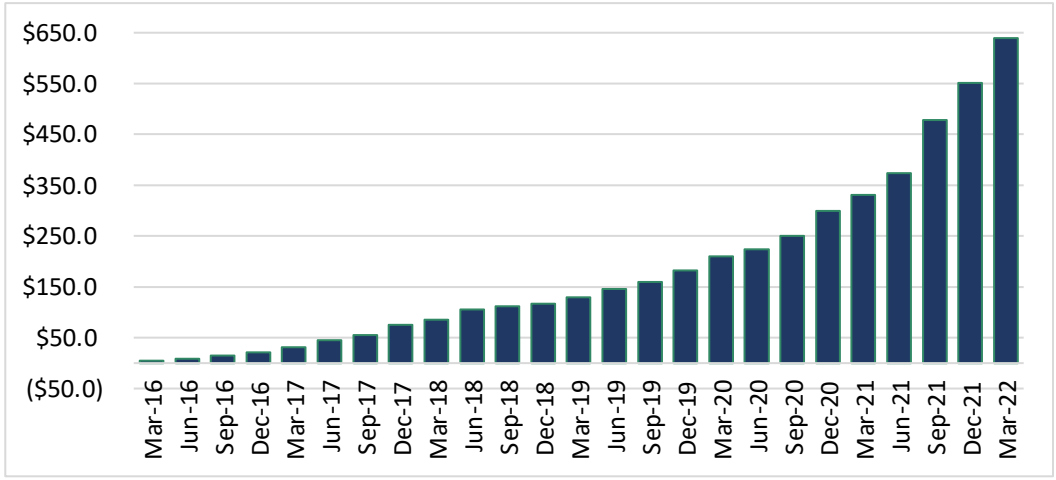
($ in Thousands)	Year-Ending Dec-2018	Dec-2019	Dec-2020	Dec-2021
Total Assets	$86,014	$141,211	$226,670	$417,962
Number of Loans in Portfolio	403	438	495	520
Principal Amount of Loans in Portfolio	$78,891	$94,349	$155,616	$292,301
Weighted Average Interest Rate[(1)]	12.85%	12.42%	11.79%	11.57%
Average Outstanding Loan Balance	$196	$215	$362	$562
Weighted Average Term (Months)	11	10	8	8
Foreclosures In Process	13	9	16	16

(1) Weighted average interest rate does not include origination fee income.

Total Asset Growth ($ in Millions)

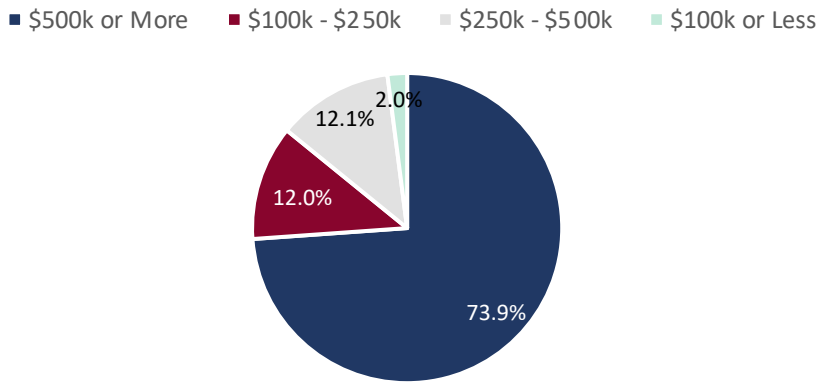


Cumulative Loan Originations ($ in Millions)

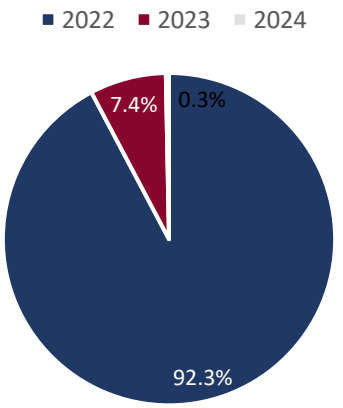


Loan Portfolio Overview – 2021

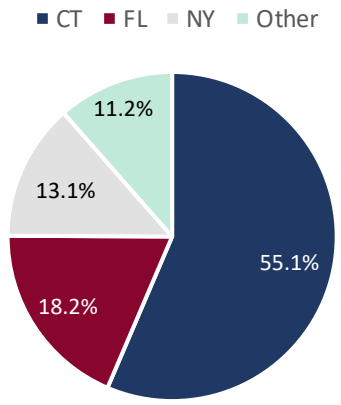
Summary Distribution by Loan Amount



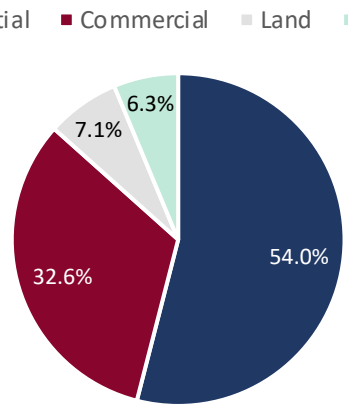
Summary Distribution by Loan Maturities



Summary Distribution by State



Summary Distribution by Real Estate Type



Data as of December 31, 2021

Senior Management Team

John L. Villano CPA, *Chairman, Chief Executive Officer, Chief Financial Officer, President and Treasurer*

John has been Sachem's Chairman and Chief Executive Officer since the company's inception in 2010. Mr. Villano is responsible for overseeing all aspects of business operations, including loan origination and servicing, investor relations, brand development, and business development. He was previously engaged in the private practice of accounting and auditing for almost 30 years. Mr. Villano is a Certified Public Accountant and holds a Bachelor's Degree in Accounting from the University of Rhode Island.

William C. Haydon, *Chief Investment Officer, Chief Credit Officer and Director of Investor Relations*

Bill is a talented and seasoned executive with over 25 years of experience in financial services and investment banking. He brings expertise in areas such as lending, securities asset management, initial public offerings, investment banking, and financial strategy and long-term planning. Bill is responsible for the company's liquid reserves and securities portfolio and he oversees Sachem's underwriting team. Prior to joining Sachem Capital Corp. in 2021, Bill served as a Portfolio Manager at Wells Fargo Advisors Financial, a VP within the Wealth Management division of UBS Financial Services, and Managing Director of Northern Mortgage Company, LLC.

Nicholas M. Marcello, *Vice President, Finance and Operations*

Nick brings experience in compliance, financial modeling, deal structuring, and operations. Previously, he was Assistant Controller at Waypoint Real Estate Investments where he was responsible for the financial reporting of the firm's conventional multifamily portfolio of approximately $1.5 billion in assets. His role included monthly operational reporting, annual audits, transactions, and tax compliance. He began his career at PwC, a multinational professional services network of firms, in the Investment Management Group. Nick holds a B.S. from Providence College and an M.B.A and M.S. in Accounting from Northeastern University.

Key Statistics

NYSE American:	SACH
Share price (as of 6/14/22):	$4.29
Common Shares Outstanding (5/3/22):	36.3 M
Market Capitalization (6/14/22):	$155.7 M
Shareholders' Equity (3/31/22):	$199.4 M
Dividends (TTM):	$0.48
Insider Ownership (fully diluted) (3/30/22):	5.0%

Balance Sheet Summary

($ in Thousands)	March 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	57,863,469	41,938,897
Short-term marketable securities	35,510,232	60,633,661
Mortgages receivable	353,627,221	292,301,209
Interest and fees receivable	3,988,127	3,693,645
Due from borrowers	3,841,663	3,671,016
Property and equipment, net	2,153,604	2,172,185
Real estate owned	6,312,818	6,559,010
Investments in partnerships	17,413,855	6,055,838
Other assets	364,208	936,290
Total Assets	**$481,764,606**	**$417,961,751**
Equity and Liabilities		
Unsecured unsubordinated fixed rate notes	209,050,671	160,529,363
Repurchase facility	26,945,149	19,087,189
Line of credit	23,279,364	33,178,031
Mortgage payable	750,000	750,000
Notes payable	24,294	30,921
Total debt	260,049,478	213,575,504
Other liabilities	22,305,365	24,303,686
Equity	199,409,763	180,082,561
Total Equity and Liabilities	**$481,764,606**	**$417,961,751**
Total Debt / Equity	130.4%	118.6%
Total Debt / Assets	54.0%	51.1%

Income Statement Summary

($ in Thousands)	March 31, 2022	March 31, 2021
Revenue		
Interest income from loans	8,511,375	4,531,232
Investment income	271,472	242,691
Income from partnership investment	272,488	17,737
Gain (loss) on sale of investment securities	(154,135)	(129,440)
Origination fees	1,637,627	517,428
Late and other fees	128,864	35,929
Processing fees	65,855	35,975
Rental income (loss), net	10,042	4,184
Unrealized losses on investment securities	(1,052,230)	-
Other income	610,017	456,809
Total Revenue	**$10,301,375**	**$5,712,181**
Operating Costs and Expenses		
Interest and amortization of deferred financing costs	3,898,389	2,464,755
Professional fees	230,715	231,756
Compensation, fees and taxes	993,962	592,087
Exchange fees	12,329	12,329
Other expenses and taxes	64,704	21,809
Depreciation	22,239	19,602
General and administrative	401,233	159,608
Loss on sale of real estate	65,838	2,134
Impairment loss	260,500	25,000
Total Operating Costs and Expenses	**$5,949,909**	**$3,529,080**
Net Income	**4,351466**	**2,183,101**
Preferred stock dividend	(921,766)	-
Net income attributable to common shareholders	**$3,429,700**	**$2,183,101**
Unrealized (loss) gain on investment securities	242,808	(7,494)
Comprehensive Income	**$3,672,508**	**$2,175,607**
Earnings Per Share	$0.10	$0.10
Weighted average common shares outstanding (diluted)	34,898,666	22,138,006