



SACHEM CAPITAL



SACHEM CAPITAL CORP.

Investor Presentation – May 2021

NYSE: SACH

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.

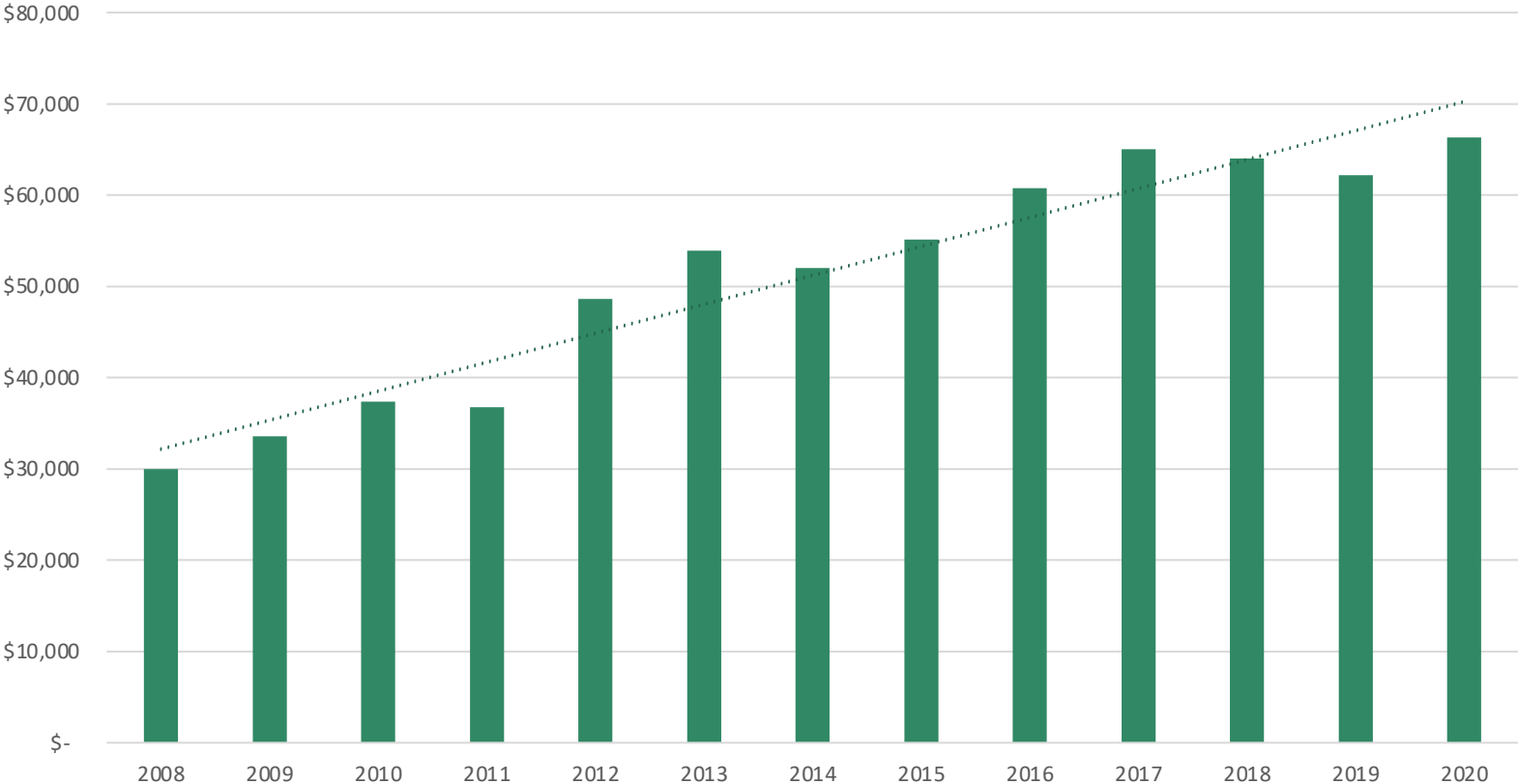
All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements as well as others made in this presentation. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties.

Company Overview

- Sachem Capital Corp. is a mortgage REIT headquartered in Branford, Connecticut
 - Intimate knowledge of real estate market and ability to respond quickly to customer needs
 - 19 highly skilled and tenured industry professionals
- Specializing in originating, investing, underwriting, funding, servicing & managing a portfolio of short-term, high yielding real estate loans; historically targeting the “fix-and-flip” and real estate development markets
 - **Disciplined underwriting and extensive due diligence - focusing primarily on value of underlying collateral**
 - All loans secured by first lien mortgages with **conservative max 70% loan-to-value ratio; personal guarantee by the principals of the borrowers**
 - Lending platform that is solid and sustainable due to **strict underwriting criteria and extensive due diligence**
- Highly **scalable business model** to drive increased revenue, cash flow, profits and dividends
- As a REIT, Sachem distributes 90%+ of the Company’s taxable income to shareholders as quarterly dividends

Market Overview: Sustainable Fix & Flip Activity

Home Flipping Gross Profits

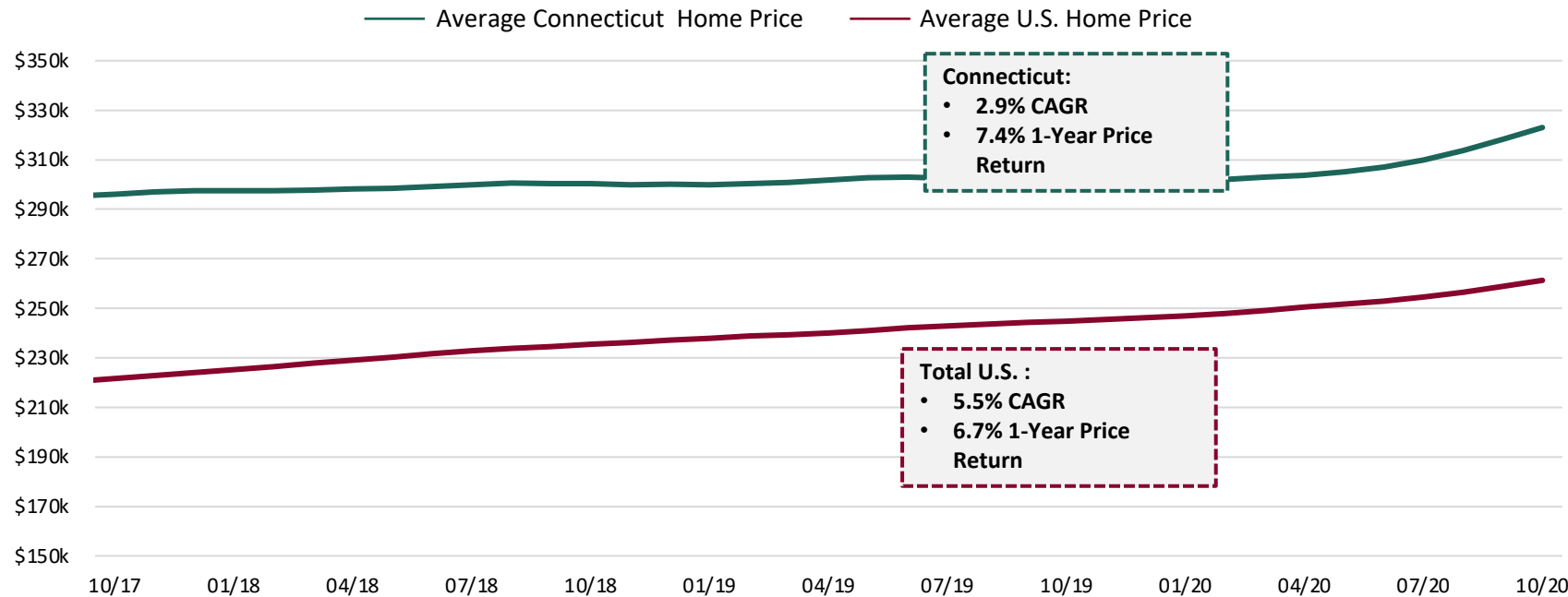


Source: ATTOM Data Solutions

Market Overview: Favorable Home Prices

- Sachem’s primary market (Connecticut) has benefitted from several trends accelerated by COVID-19:
 - Movement out of dense urban locations, including New York City, to suburban neighborhoods
 - As workers adjust to a greater proportion of remote work, increased demand for larger, more spacious housing
 - Lower interest rates, which improved mortgage affordability for home purchasers

AVERAGE HOME PRICE – 3 YEAR TREND



Source: Zillow

Sachem Loan Products



Fix & 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.

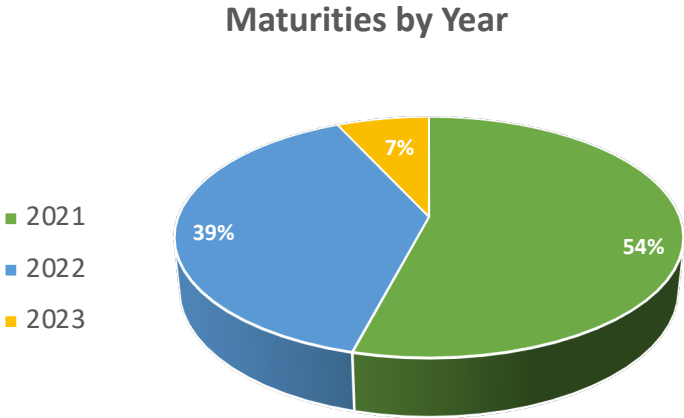
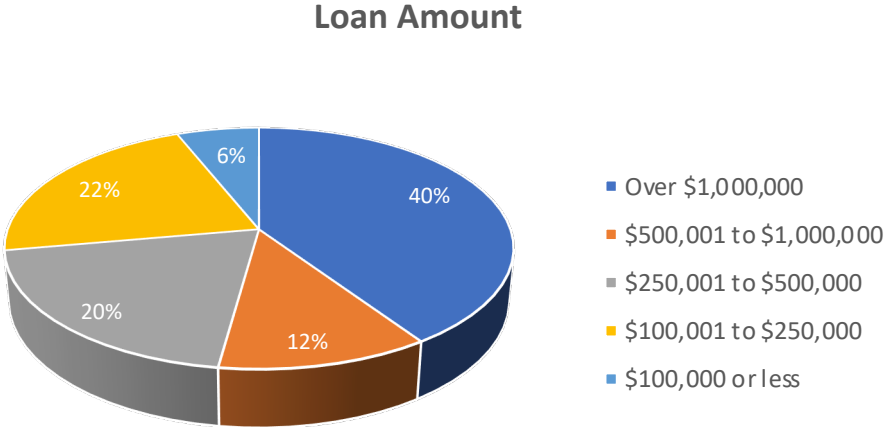


**Commercial Real Estate
Development**

Loan Portfolio Overview/Diversification

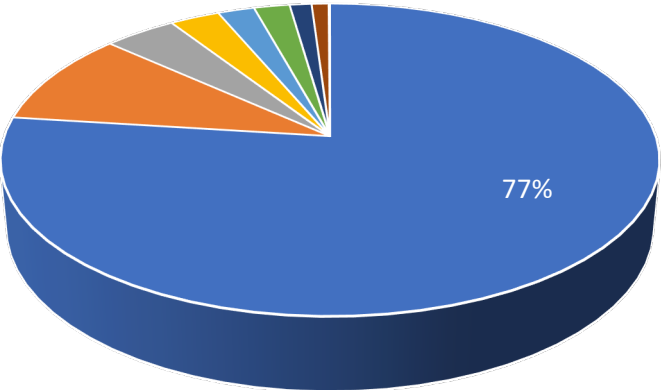
Diversified portfolio of 479 loans with total principal balance of \$157M:

Principal Amount	Range of \$100,000 to \$10 million
Loan to Value Ratio	Up to 70% loan-to-value
Term	1 to 3 years
Origination Fee	2.0% to 5.0%
Interest Rate	Fixed rate between 5.0% and 13.0%
Payment Terms	Interest only monthly with principal at maturity



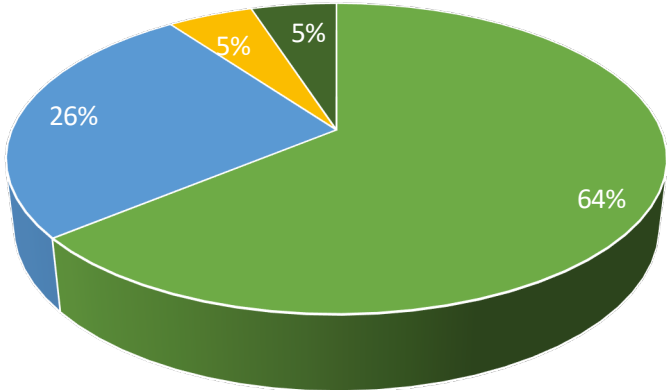
Loan Portfolio Overview

Loan Breakdown by State



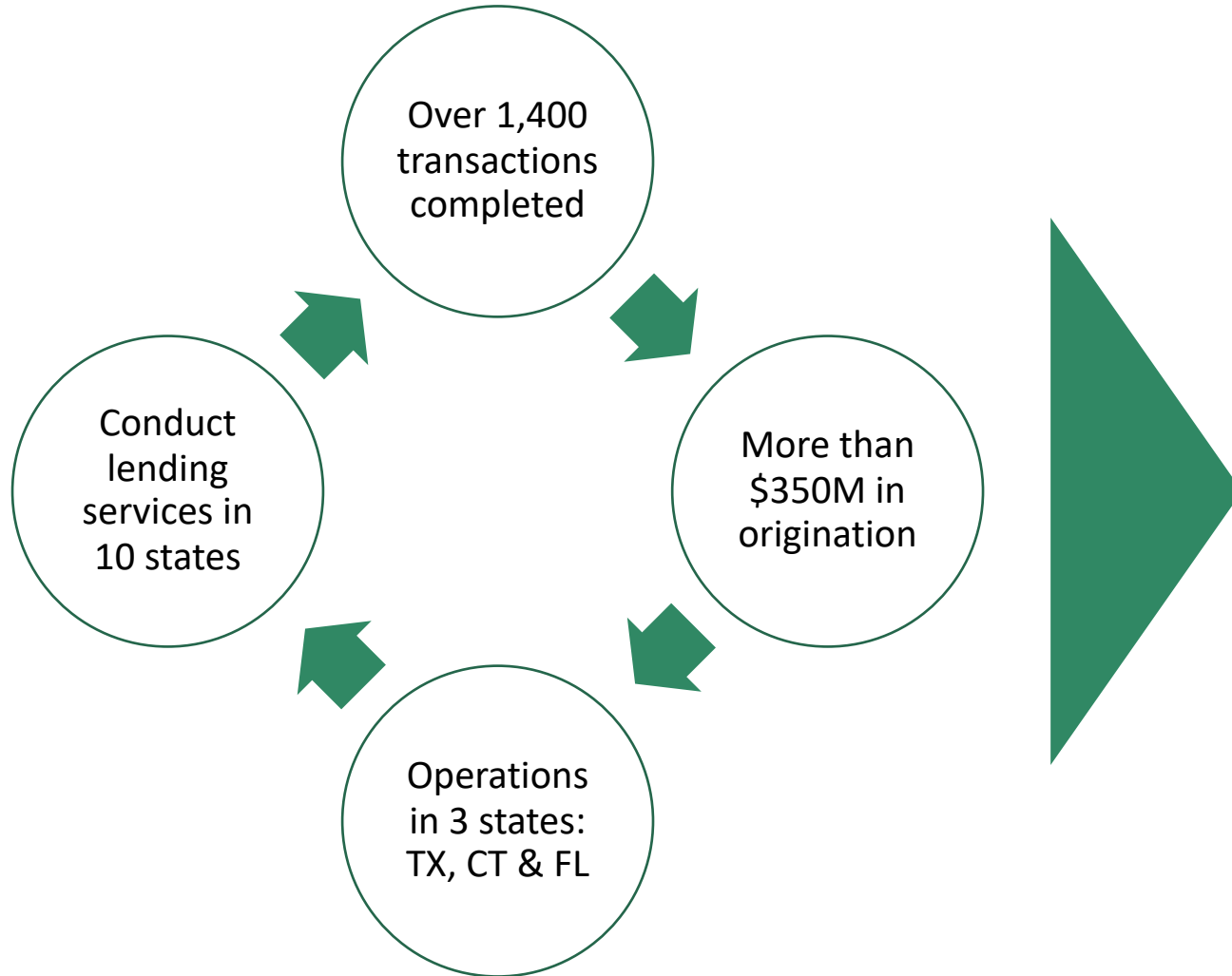
- Connecticut
- Florida
- New York
- Massachusetts
- Texas
- California
- Rhode Island
- Arizona
- Tennessee
- Maine

Loan Breakdown by Real Estate Type



- Residential
- Commercial
- Land
- Mixed Use

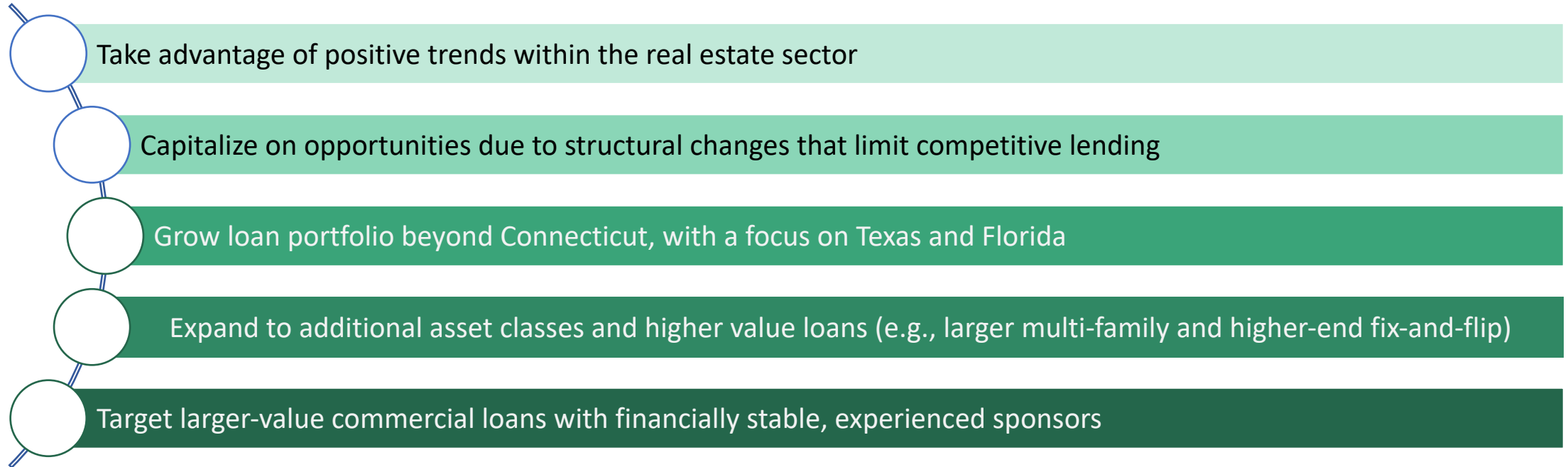
The Sachem Advantage



Favorable competitive landscape:

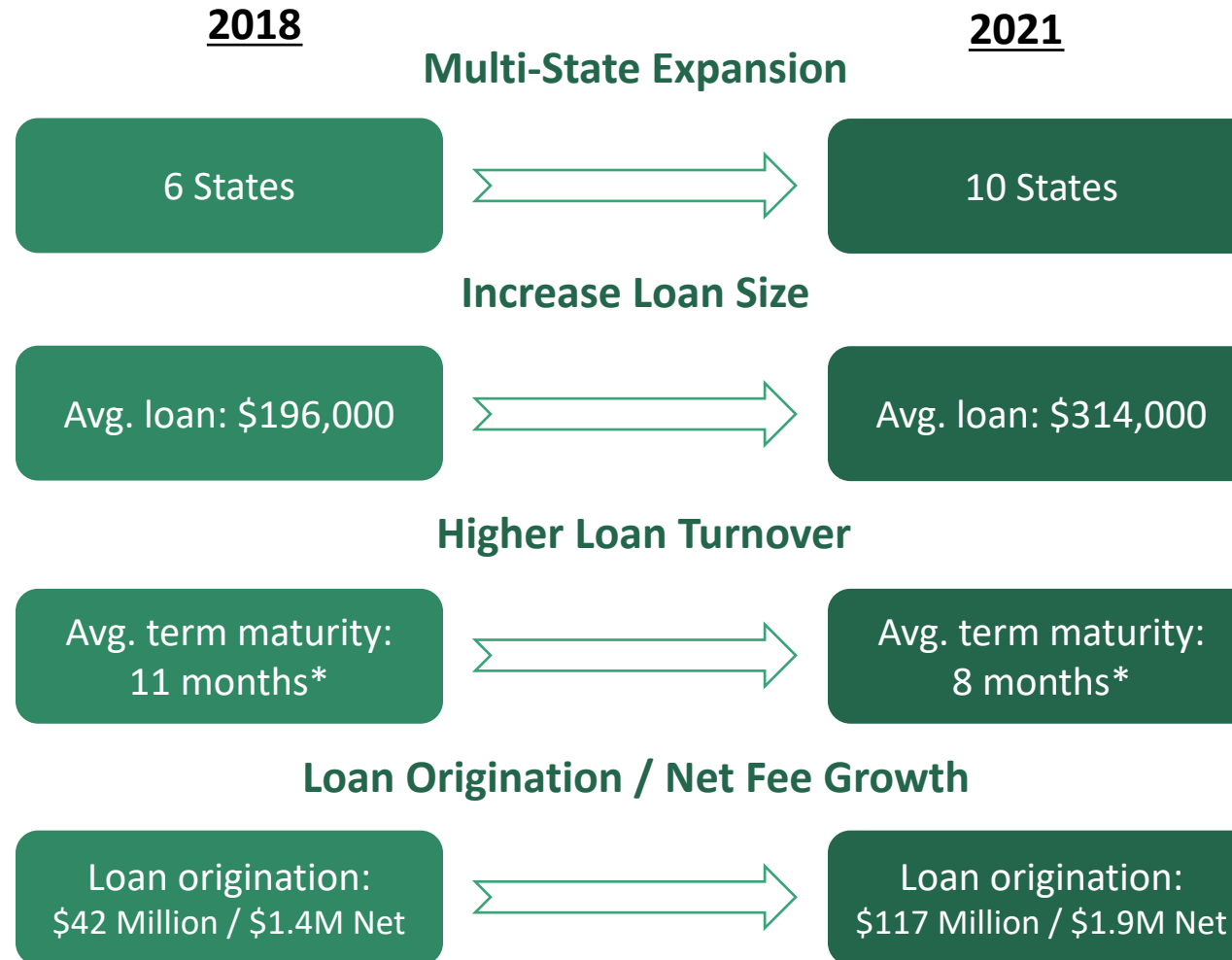
- Sachem is able to structure loans to meet the unique needs and business plans of its borrowers
- Many banks and other traditional lenders still have restrictive lending criteria
- Many non-traditional lenders are undercapitalized
- Competitor policies inhibit borrower's repeat business

Sachem Growth Strategy



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

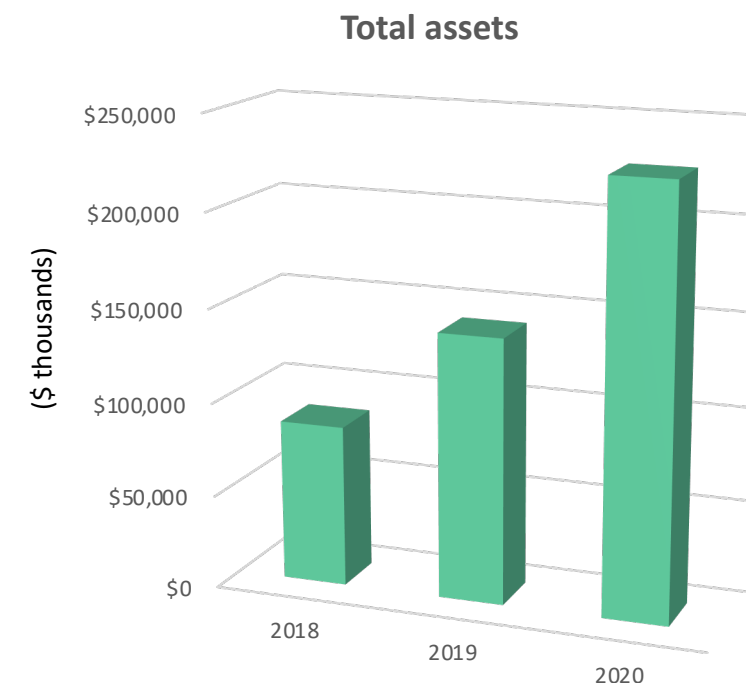
Successful Initiatives



*Resulting from Sachem's effective underwriting criteria

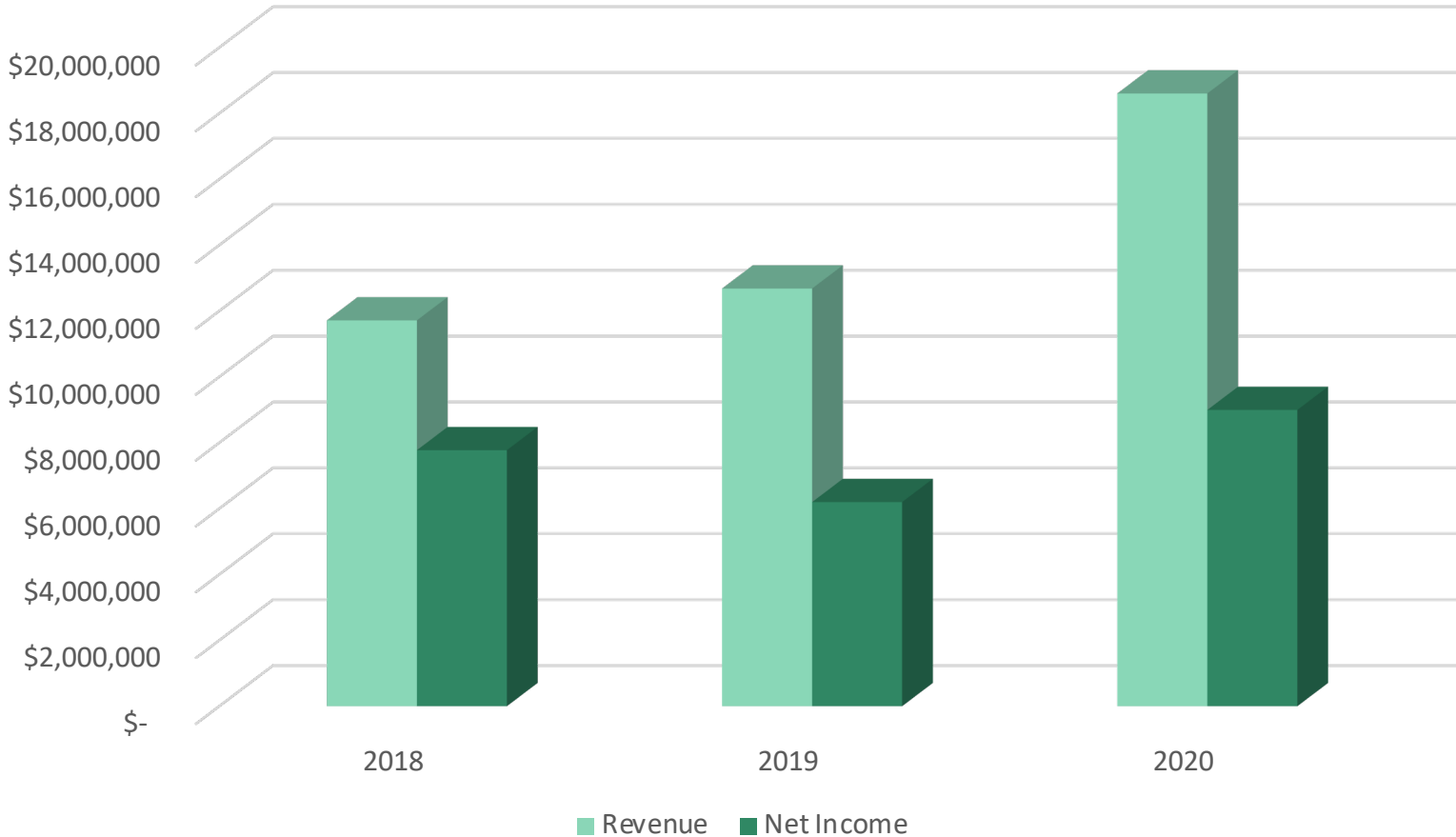
Loan Portfolio Performance

(\$ in Thousands)	Year-Ending		
	12/31/2018	12/31/2019	12/31/2020
Total Assets	\$86,014	\$141,211	\$226,670
Number of Loans in Portfolio	403	438	495
Principal Amount of Loans in Portfolio	\$78,891	\$94,349	\$155,616
Interest Income	\$8,961	\$9,752	\$13,821
Origination Fee Income, Net	\$1,411	\$1,519	\$1,893
Weighted Avg. Contractual Interest Rate ⁽¹⁾	12.85%	12.42%	11.79%
Average Outstanding Loan Balance	\$196	\$215	\$314
Weighted Average Term to Maturity (months)	11	10	8
Foreclosures In Process	13	9	16



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

Financial Performance



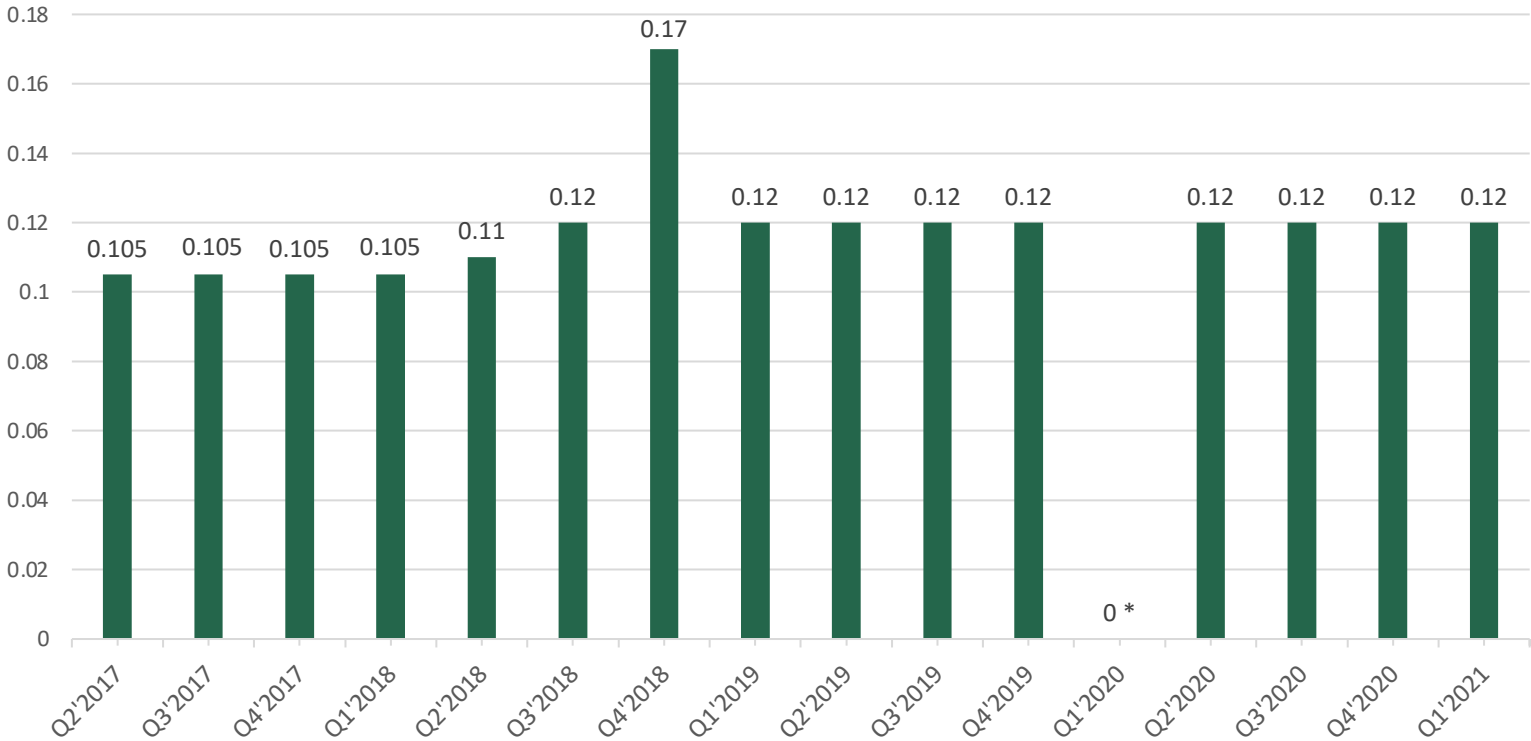
Access to Capital

- Cash and short-term marketable securities of approximately \$54.7 million as of March 31, 2021
- Low interest line of credit with Wells Fargo, secured by short-term securities
 - The credit line bears interest at a rate of 1.5%, which is 1.75% below prime as of March 31, 2021
- Raised approximately \$56M of unsecured, unsubordinated notes in 2020 @ 7.75%
 - Provides liquidity to fuel growth despite the impact of COVID
 - Although these notes have higher interest rate, they provide greater liquidity and financial flexibility
- Given the strength of the loan portfolio and solid track record, Sachem is exploring additional financing alternatives, which may provide a lower cost of capital than the notes
 - Sachem is careful about the debt it takes on and will not over-lever the portfolio to garner high leveraged returns

Balance Sheet Summary

(\$ in Thousands)	March 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	18,345,654	19,408,028
Short-term marketable securities	36,305,439	37,293,703
Mortgages receivable	156,771,704	155,616,300
Interest and fees receivable	1,722,611	1,820,067
Due from borrowers	2,525,039	2,025,663
Property and equipment, net	1,449,653	1,433,388
Real estate owned	8,624,044	8,861,609
Other assets	2,528,308	211,426
Total Assets	\$228,272,452	\$226,670,184
Equity & Liabilities		
Unsecured unsubordinated fixed rate notes	109,884,797	109,640,692
Line of Credit	28,160,988	28,055,648
Mortgage Payable	-	767,508
Notes Payable	49,050	54,682
Total Debt	138,094,835	138,518,530
Other Liabilities	5,695,898	4,577,137
Equity	84,481,719	80,919,540
Total Equity and Liabilities	\$228,272,452	\$226,670,184
Total Debt / Equity	163.5%	171.2%
Total Debt / Assets	60.5%	61.1%
Asset Coverage	165%	163.6%

Dividends Paid



90+% of all taxable income distributed to shareholders

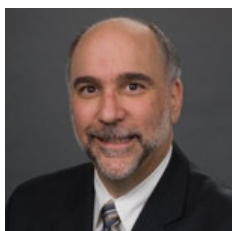
*Conservative policy due to COVID-19 pandemic

Senior Management Team



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

John has been our Chairman and Chief Executive Officer since our inception in 2010. Mr. Villano is responsible for overseeing all aspects of our 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.



Dr. Peter J. ("Pete") Cuozzo, *Executive Vice President and Chief Operating Officer*

Pete is an experienced business executive and professional educator with over 35 years diverse background. Over his career Pete held cross-functional roles in Information Technology, Finance, Operations, Human Resources, Transportation/Logistics, and Sourcing in such companies as GE, Sachem Capital Partners, Syngenta, HP, Stanley Black & Decker, Hess Corporation, and TBC Corporation, the last five companies as vice president of learning, talent management, and organizational effectiveness.



William C. ("Bill") Haydon, *Chief Investment 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.

Investment Highlights

- ✓ Sachem's **loan portfolio has grown to \$156.8M** as of March 31, 2021 from \$33.8M at year-end 2016
 - Favorable competitive landscape with robust loan pipeline
 - Disciplined underwriting with a conservative loan-to-value ratio
- ✓ Opportunistically expanding the geographic footprint of our mortgage loan portfolio beyond Connecticut, including Texas and Florida
- ✓ Diversifying 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 annual revenue of \$18.6M and net income of \$9.0M for 2020 despite the COVID-19 pandemic
 - **Revenue increased 33% to \$5.7M in Q1 2021**, compared to \$4.3M for Q1 2020; achieved 56% increase in interest income on the loan portfolio
- ✓ Ability to leverage low-cost debt financing to support growth in the loan portfolio while minimizing dilution

Key Statistics

NYSE American:	SACH
Share price (as of 5/24/2021):	\$5.19
Common Shares Outstanding:	24.6 M
Market Capitalization:	\$127.5 M
Shareholders' Equity:	\$84.6M
Dividends (TTM):	\$0.48
Fiscal Year-End:	December 31
Insider Ownership (fully diluted):	7.5%