

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): January 27, 2023

SACHEM CAPITAL CORP.

(Exact name of Registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation)

001-37997
(Commission
File Number)

81-3467779
(IRS Employer
Identification No.)

698 Main Street, Branford, Connecticut
(Address of Principal Executive Office)

06405
(Zip Code)

Registrant's telephone number, including area code (203) 433-4736

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
Common Shares, par value \$.001 per share	SACH	NYSE American LLC
7.125% Notes due 2024	SCCB	NYSE American LLC
6.875% Notes due 2024	SACC	NYSE American LLC
7.75% notes due 2025	SCCC	NYSE American LLC
6.00% notes due 2026	SCCD	NYSE American LLC
6.00% notes due 2027	SCCE	NYSE American LLC
7.125% notes due 2027	SCCF	NYSE American LLC
8.00% notes due 2027	SCCG	NYSE American LLC
7.75% Series A Cumulative Redeemable Preferred Stock, Liquidation Preference \$25.00 per share	SACHPRA	NYSE American LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 8.01. Other Events.

On January 27, 2023, Sachem Capital Corp. posted the Investor Presentation attached hereto as Exhibit 99.1, on its website <https://ir.sachemcapitalcorp.com/>.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

**Exhibit
No.**

Description

[99.1](#) [January 2023 Investor Presentation.](#)

104 Cover Page Interactive Data File (embedded with the Inline XBRL document).

* * * * *

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Sachem Capital Corp.

Dated: January 27, 2023

By: /s/ John L. Villano
John L. Villano, CPA
Chief Executive Officer

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Exhibit Index

Exhibit No.	Description
99.1	January 2023 Investor Presentation.
104	Cover Page Interactive Data File (embedded with the Inline XBRL document).

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Sachem Capital Corp.
Investor Presentation – January 2023

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.

Investment Highlights

Strong Diversified Portfolio with Excellent Credit Metrics

- \$448.5 Million portfolio as of September 30, 2022
- No loan represents more than 10% of portfolio
- Target LTV (loan-to-value) of 70%; Target LTC (loan-to-cost) of 85%

Multi-pronged Growth Strategy

- Multiple asset classes to maximize opportunities
- Targeting larger-value projects with financially stable, experienced sponsors
- Expanding geographic footprint to include Florida, the Carolinas, and other states

Proven Management Team

- Over 90 years collectively of lending and asset management experience
- Disciplined underwriting with a conservative loan-to-value ratio
- Track record of growth

Strong Capital Structure to Support Growth Strategy

- Debt of approximately \$327.0 million 3Q 2022
- \$200 million master repurchase financing, approximately \$150 million of available capacity remaining at 9/30/2022

Compelling Valuation

- Dividend yield: 15.6%*
- Core EPS Multiple: 6.4x 2022 Consensus Core EPS*

*as of closing price of \$3.33 on Sept 30, 2022

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SACHEM CAPITAL

Key Metrics¹

> \$860 million
in origination since
inception

> 1,830+
transactions completed

loans funded in
14 states

83% of loans
have term of less than 1
year

total assets:
\$562 million

\$940 K
average loan size

475+
loans in portfolio

11.3%
average yield

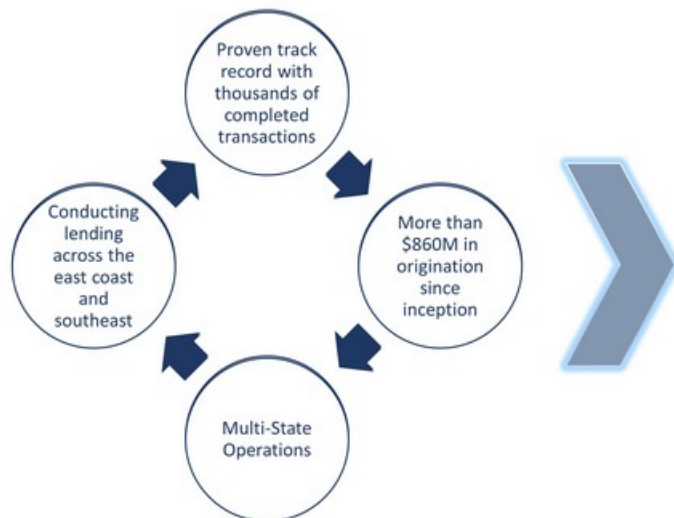
¹ All metrics as of September 30, 2022

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SACHEM CAPITAL

Competitive Advantage



Favorably Positioned to Grow

- Able to structure loans to meet the unique needs and business plans of 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 move quicker than most financial institutions and non-banking real-estate lenders

Investment Highlights

Disciplined, Highly-Scalable Originations Platform

- Virtual lead-generation platform
- Significant repeat business
- Expanding into new states with favorable demographics and lending laws
- Acquisition of Urbane New Haven provides significant efficiency in construction management oversight

Strict Underwriting Requirements

- Target LTV (loan-to-value) of 70%
- Target LTC (loan-to-cost) of 85%
- Personal guarantees required, and loans typically cross-collateralized
- Comprehensive reviews of all permits, plans, budgets, records and property information
- All loans approved by the loan committee
- Board-level review for loans greater than \$5 million
- Third-party appraisal required

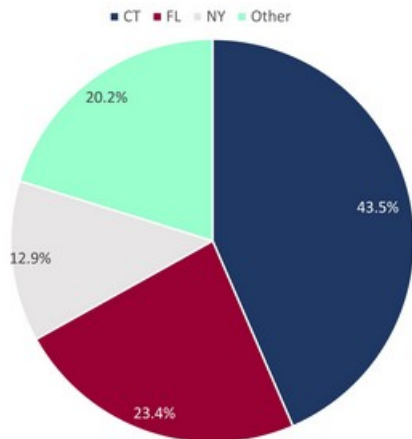
Process-Oriented Though Every Step

- Preliminary term sheet within 48 hours of completed loan application submission
- In house legal counsel review
- Internal audit
- Active asset management
- Periodic inspections
- In house construction management
- Internal loan servicing

Results in sector-leading performance with lower default and foreclosure incidence

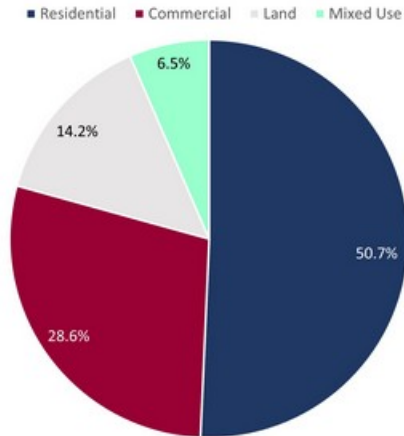
Loan Portfolio Overview

SUMMARY DISTRIBUTION BY STATE



Data as of December 31, 2022

SUMMARY DISTRIBUTION BY REAL ESTATE TYPE



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Compelling Growth Strategy



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

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Consistent Portfolio Growth & Strong Performance

SUMMARY LOAN PORTFOLIO OVERVIEW

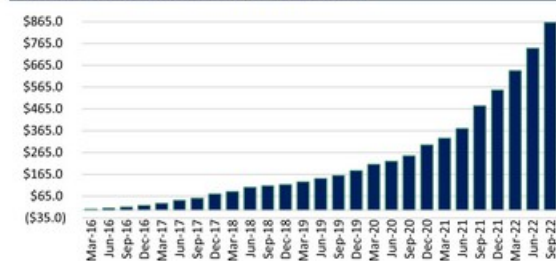
(\$ in Thousands)	Year-Ending			
	Dec-2018	Dec-2019	Dec-2020	Dec-2021
Total Assets	\$86,014	\$141,211	\$226,670	\$417,962
Number of Loans in Portfolio	403	438	495	520
Principal Amount of Loans in Portfolio	\$78,891	\$94,349	\$155,616	\$292,301
Weighted Average Interest Rate ⁽¹⁾	12.85%	12.42%	11.79%	11.57%
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)



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Targeted Acquisition Contributes to Future Growth

- Acquired Urbane New Haven, LLC ("Urbane"), a premier real estate firm specializing in all phases of development and construction, including architecture, design, contracting, and marketing for more than 21 years
- The transaction accomplished two goals:
 - exceptional development and construction expertise
 - expertise to remedy and complete projects minimizing costs associated with distressed property
- In-house construction expertise should enable larger and more profitable construction loans, as well as further vertical integration of the lending platform



SACHEM CAPITAL + **urbane**

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Target Market and Opportunity

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

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

Greater flexibility in structuring loans to better meet needs of the borrower

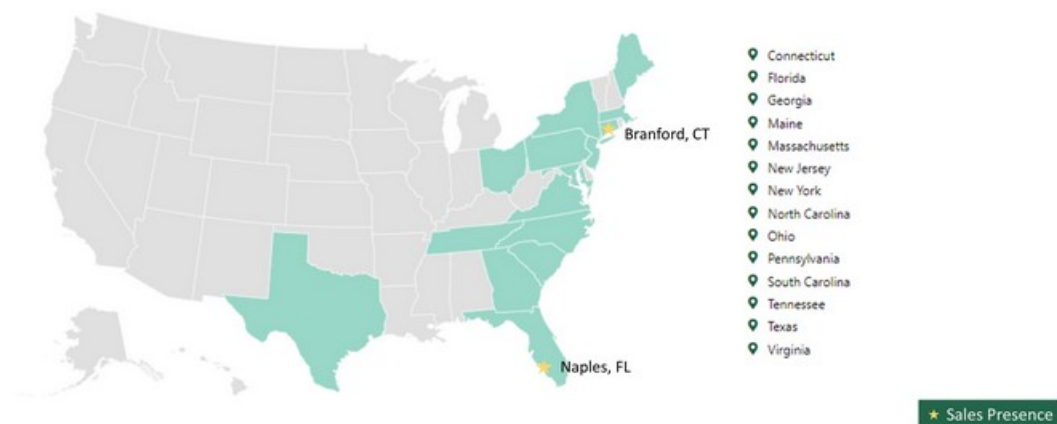
- Close a loan quicker than most financial institutions and non-banking real estate lenders
- Due diligence is more centered around the value of the collateral rather than the property cash flows or borrower's credit
- Combination of speed and flexibility enables us to adapt to new market conditions

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



Focused 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

Loan Diversification and Expansion

- Addition of commercial real estate provides diversification from residential 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



Case Studies

- \$19.5 million loan for the purchase and conversion of a warehouse in Brighton, MA, into a 28-unit condominium complex within an up-and-coming residential community. The loan was cross-collateralized with other properties owned by the borrower.
- \$11.6 million loan to an experienced developer to acquire and renovate a 466,000 square-foot (47 acre) multi-tenant office complex in Milford, CT, comprised of five three-story buildings, including the corporate headquarters for a national apparel retailer. The loan was closed in a much shorter time frame than traditional lenders.
- \$9.0 million loan to an experienced developer converting a hotel property in Fairfield County, CT, to luxury apartments. The loan provided flexibility in lending to meet the unique needs of the borrower.

Meaningful Market Expansion Opportunities

Turning Liabilities Into Assets - Vacant, Unused, and Abandoned Properties:

- 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.

Offer unique combination of highly skilled team of underwriters and commercial construction management to oversee project complexities

Before



After



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Management Team



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

- Chairman and Chief Executive Officer since the company's inception in 2010
- Responsible for overseeing all aspects of business operations, including loan origination and servicing, investor relations, brand development, and business development
- Previously engaged in the private practice of accounting and auditing for almost 30 years
- Certified Public Accountant and holds a Bachelor's Degree in Accounting from the University of Rhode Island



John E. Warch, Chief Financial Officer and Executive Vice President

- Responsible for overseeing all financial activities, including treasury, control, investments, financial reporting, insurance, tax, and related functions
- Prior to joining Sachem, served as the Chief Financial Officer, Senior Vice President and Treasurer of Four Springs Capital Trust, a privately-held REIT from 2013
- From 2006 until 2012, John served as Senior Vice President and Chief Accounting Officer of CapLease, Inc. (NYSE: LSE), where he was responsible for all aspects of the financial infrastructure
- Certified Public Accountant and holds an M.B.A. in Finance and a B.S. in Accounting from St. John's University



Eric O'Brien, Senior Vice President, Asset Management at Sachem Capital Corp. and Managing Director at Urbane Capital, LLC

- 30 years of experience in construction finance and management, design and development, asset management, property acquisitions, and real estate development.
- Responsible for the company's lending evaluation, assessment, and approvals
- Prior to joining Sachem, was the president and founder of Urbane New Haven, LLC, specializing in all aspects of development, design and construction management
- B.A. in Political Science from the University of Rhode Island



Nicholas M. Marcello, Vice President, Finance and Operations

- Expertise in compliance, financial modeling, deal structuring and operations
- Prior to joining Sachem, was Assistant Controller at Waypoint Real Estate Investments where his role included monthly operational reporting, annual audits, transactions, and tax compliance
- Began career at PwC, a multinational professional services network of firms, in the Investment Management Group
- B.S. from Providence College and an M.B.A. and M.S. in Accounting from Northeastern University



Ralph Sylvester, Vice President, Asset Management at Sachem Capital Corp. and Director at Urbane Capital LLC

- Expertise in development planning, financial modeling, property acquisitions, construction management and formulation of major contracts.
- Responsible for overseeing the company's lending evaluation, assessment of loan request packages, and approvals.
- Prior to joining Sachem, was the Director of Operations at Urbane NewHaven, LLC
- B.A. in Political Science from Villanova University.

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Corporate Responsibility

Environmental

- **Commitment to Responsible Investing**
 - Stabilizing and revitalizing previously vacant, abandoned or uninhabitable properties
 - Renovation projects improve safety, energy efficiency, useability, and affordability to meet the needs of today's communities
 - Integrating environmental due diligence into underwriting standards
- **Climate Change**
 - Headquarters operations focused on reducing carbon footprint
 - Eliminated use of single use bottles, glasses and plates in favor of use of reusable or compostable alternatives

Social

- **Human Capital**
 - Excluding retirements, 100% employee retention rate in the last 24 months
 - Benefits include employer paid health dental, LTD & STD plans, stock grant program
 - Promote health and wellness through gym reimbursement program
- **Diversity, Equity and Inclusion**
 - Committed to diversity in recruiting, hiring and development
 - 44% of employees identify as female and / or minority
- **Community Partnership**
 - Support / match employee charitable giving
 - Paid time off for volunteer work
- **Financial Inclusion**
 - Business activities expand availability and affordability of quality housing

Governance

- Management and Board own 5% of shares, providing alignment with shareholders
- Majority Independent board with 25% female representation
- Code of business conduct and ethics

Committed to being responsible partners for all stakeholders

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Investment Summary

Strong Diversified Portfolio with Excellent Credit Metrics

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Multi-pronged Growth Strategy

- Multiple asset classes to maximize opportunities
- Targeting larger-value projects with financially stable, experienced sponsors
- Expanding geographic footprint to include Florida, the Carolinas, and other states

Proven Management Team

- Over 90 years of lending and asset management experience
- Disciplined underwriting with a conservative loan-to-value ratio
- Track record of growth

Strong Capital Structure to Support Growth Strategy

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- \$200 million master repurchase financing, approximately \$150 million of available capacity remaining at 9/30/2022

Compelling Valuation

- Dividend yield: 15.6%*
- Core EPS Multiple: 6.4x 2022 Consensus Core EPS*

*as of closing price on Sept 30, 2022

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Third Quarter 2022 Key Metrics

Earnings

- Revenue of \$13.5 million, up 58.9% from 3Q 2021
- GAAP Net income of \$4.1 million, or \$0.11 per share
- Weighted average portfolio interest rate of 11.25%, not inclusive of fees

Liquidity

- \$35.5 million cash and cash equivalents
- \$200 million master repurchase financing
- \$150 million of available capacity remaining at 9/30/2022

Originations

- YTD as of 9/30/22 gross originations of \$252.4 million
- Targeting 15% all in yield on new originations
- Max target LTV of 70% on new originations; max LTC target of 85%

Balance Sheet Summary

	September 30, 2022	December 31, 2021
	(unaudited)	(audited)
Assets:		
Cash and cash equivalents	\$ 35,464,257	\$ 41,938,897
Investment securities	34,351,374	60,633,661
Mortgages receivable	448,524,665	292,301,209
Interest and fees receivable	5,746,907	3,693,645
Due from borrowers	5,055,146	3,671,016
Real estate owned	5,615,940	6,559,010
Investments in partnerships	22,542,941	6,055,838
Property and equipment, net	3,397,812	2,172,185
Other assets	1,122,342	936,290
Total assets	\$ 561,821,384	\$ 417,961,751
Liabilities and Shareholders' Equity		
Notes payable	\$ 279,557,613	\$ 160,529,363
Repurchase facility	43,100,146	19,087,189
Mortgage payable	750,000	750,000
Line of credit	3,542,853	33,178,031
Total Debt	326,950,612	213,544,583
Other liabilities	15,570,798	24,334,607
Total liabilities	\$ 342,521,410	\$ 237,879,190
Total shareholders' equity	\$ 219,299,974	\$ 180,082,561
Total Debt / Equity	149.1%	118.6%
Total Debt / Assets	58.2%	51.1%

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Income Statement Summary

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue:				
Interest income from loans	\$ 11,545,748	\$ 6,094,165	\$ 30,490,694	\$ 15,307,692
Investment gains, net	238,225	532,163	586,166	911,005
Income from partnership investments	523,067	35,983	1,112,560	90,225
Origination and modification fees, net	1,669,034	1,268,624	5,759,650	2,788,498
Fee and other income	641,749	591,441	2,048,921	1,851,031
Unrealized losses on investment securities	(1,076,836)	—	(3,607,498)	—
Total revenue	13,540,987	8,522,376	36,390,493	20,948,451
Operating costs and expenses:				
Interest and amortization of deferred financing costs	5,974,975	2,589,847	15,083,228	7,541,536
Compensation, fees and taxes	1,509,518	771,373	3,691,421	2,175,603
Other expenses	90,899	137,607	320,231	248,581
General and administrative expenses	715,994	478,484	1,993,812	1,369,328
Loss (Gain) on sale of real estate	962	94,450	(121,381)	111,545
Impairment loss	195,000	150,000	790,500	469,000
Total operating costs and expenses	8,487,348	4,221,761	21,757,811	11,915,593
Net income	5,053,639	4,300,615	14,632,682	9,032,858
Preferred stock dividend	(921,766)	(913,791)	(2,765,297)	(932,089)
Net income attributable to common shareholders	4,131,873	3,386,824	11,867,385	8,100,769
Unrealized gain (loss) on investment securities	(131,569)	(500,188)	(81,525)	(611,998)
Comprehensive income	\$ 4,000,304	\$ 2,886,636	\$ 11,785,860	\$ 7,488,771
Net income per common share outstanding (diluted):	\$ 0.11	\$ 0.12	\$ 0.32	\$ 0.32
Weighted average number of common shares outstanding (diluted):	38,829,852	27,977,095	36,729,184	24,972,837

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