

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

or

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

For the transition period from _____ to _____

Commission File Number: **001-37997**

SACHEM CAPITAL CORP.

(Exact name of registrant as specified in its charter)

New York

81-3467779

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

568 East Main Street, Branford, CT, 06405

(Address of principal executive offices)

(203) 433-4736

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☒

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

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 \$0.001 per share	SACH	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

As of August 4, 2026, the Issuer had a total of 47,954,632 common shares, \$0.001 par value per share, outstanding.

SACHEM CAPITAL CORP.
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Report”) for the three and six months ended June 30, 2026 includes forward-looking statements. All statements other than statements of historical facts contained in this Report, including statements regarding the pending transaction with Industrial Realty Group Global, LLC, 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,” 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 numerous risks, uncertainties and assumptions, some of which are described in our 2025 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”), this Report and other documents we file with the SEC from time to time. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Report may not occur, and actual 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 Report 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 Report. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties.

Unless the context otherwise requires, all references in this Report to “Sachem Capital,” “we,” “us” and “our” refer to Sachem Capital Corp., a New York corporation.

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

SACHEM CAPITAL CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share data)

	June 30, 2026	December 31, 2025
	(unaudited)	(audited)
Assets		
Cash and cash equivalents	\$ 28,819	\$ 10,924
Investment securities (at fair value)	803	936
Loans held for investment (net of deferred loan fees of \$1,753 and \$2,230)	335,804	375,188
Allowance for credit losses	(13,491)	(11,510)
Loans held for investment, net	322,313	363,678
Interest and fees receivable (net of allowance of \$1,233 and \$2,598)	3,975	4,116
Due from borrowers (net of allowance of \$2,043 and \$1,084)	4,413	6,978
Real estate owned (net of impairment of \$1,028 and \$1,110)	20,968	16,402
Investments in limited liability companies	34,237	39,132
Investments in developmental real estate, net	45,536	9,719
Property and equipment, net	3,043	3,160
Other assets	8,793	5,002
Total assets	<u>\$ 472,900</u>	<u>\$ 460,047</u>
Liabilities and Shareholders' Equity		
Liabilities:		
Notes payable (net of deferred financing costs of \$1,213 and \$1,905)	\$ 172,041	\$ 171,349
Senior secured notes payable (net of deferred financing costs of \$3,152 and \$3,427)	96,848	86,573
Mortgage payable	873	917
Lines of credit	36,500	19,000
Accounts payable and accrued liabilities	4,727	3,255
Advances from borrowers	3,119	4,016
Total liabilities	<u>314,108</u>	<u>285,110</u>
Commitments and Contingencies - Note 14		
Shareholders' equity:		
Preferred shares - \$0.001 par value; 5,000,000 shares authorized; 3,332,000 shares designated as Series A Preferred Stock; 2,312,758 shares of Series A Preferred Stock issued and outstanding at June 30, 2026 and December 31, 2025, respectively	2	2
Common Shares - \$0.001 par value; 200,000,000 shares authorized; 47,954,632 and 47,684,955 issued and outstanding at June 30, 2026 and December 31, 2025, respectively	48	48
Additional paid-in capital	258,332	257,905
Cumulative net earnings	30,372	41,826
Cumulative dividends paid	(129,962)	(124,844)
Total shareholders' equity	<u>158,792</u>	<u>174,937</u>
Total liabilities and shareholders' equity	<u>\$ 472,900</u>	<u>\$ 460,047</u>

The accompanying notes, together with the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, are an integral part of these financial statements.

SACHEM CAPITAL CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(dollars in thousands, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Interest income from loans	\$ 7,252	\$ 7,482	\$ 16,006	\$ 15,370
Interest income from limited liability company investments	750	859	1,608	2,801
Interest expense and amortization of deferred financing costs	(6,328)	(6,139)	(12,387)	(12,233)
Net interest income	1,674	2,202	5,227	5,938
Provision for credit losses related to loans held for investment	(2,551)	(925)	(7,923)	(1,977)
Change in valuation allowance related to loans held for sale	—	1,043	—	1,047
Net interest (loss) income after provision for credit losses related to loans held for investment and changes in valuation allowance related to loans held for sale	(877)	2,320	(2,696)	5,008
Other income				
Fee income from loans	1,146	1,771	2,438	3,196
Income from limited liability company investments	71	119	176	229
Other investment income	4	12	7	17
Gain (loss) on equity securities	7	821	(133)	696
Other income	134	532	277	604
Total other income	1,362	3,255	2,765	4,742
Operating expenses				
Compensation and employee benefits	(1,937)	(1,821)	(4,075)	(3,592)
General and administrative expenses	(1,450)	(1,304)	(3,413)	(2,659)
Transaction expenses	(2,567)	—	(4,175)	—
Impairment loss on real estate	(288)	—	(191)	—
Gain on sale of investments in developmental real estate, real estate owned, and property and equipment, net	475	131	671	131
Other expenses	(95)	(694)	(340)	(839)
Total operating expenses	(5,862)	(3,688)	(11,523)	(6,959)
Net (loss) income	(5,377)	1,887	(11,454)	2,791
Preferred stock dividends	(1,120)	(1,118)	(2,240)	(2,235)
Net (loss) income attributable to common shareholders	\$ (6,497)	\$ 769	\$ (13,694)	\$ 556
Basic and diluted (loss) income per common share	\$ (0.14)	\$ 0.02	\$ (0.29)	\$ 0.01
Basic and diluted weighted average number of common shares outstanding	47,281,931	46,875,187	47,230,349	46,830,215

The accompanying notes, together with the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, are an integral part of these financial statements.

SACHEM CAPITAL CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)
(dollars in thousands, except share data)

FOR THE THREE MONTHS ENDED JUNE 30, 2026								
	Preferred Shares		Common Shares		Additional Paid in Capital	Cumulative Net Earnings	Cumulative Dividends Paid	Totals
	Shares	Amount	Shares	Amount				
Balance, April 1, 2026	2,312,758	\$ 2	47,955,647	\$ 48	\$ 258,172	\$ 35,749	\$ (128,362)	\$ 165,609
Stock-based compensation, less shares forfeited	—	—	(1,015)	—	160	—	—	160
Dividends paid on Series A Preferred Stock	—	—	—	—	—	—	(1,120)	(1,120)
Dividends paid on Common Shares	—	—	—	—	—	—	(480)	(480)
Net loss	—	—	—	—	—	(5,377)	—	(5,377)
Balance, June 30, 2026	2,312,758	\$ 2	47,954,632	\$ 48	\$ 258,332	\$ 30,372	\$ (129,962)	\$ 158,792

FOR THE THREE MONTHS ENDED JUNE 30, 2025								
	Preferred Shares		Common Shares		Additional Paid in Capital	Cumulative Net Earnings	Cumulative Dividends Paid	Totals
	Shares	Amount	Shares	Amount				
Balance, April 1, 2025	2,306,748	\$ 2	47,310,139	\$ 47	\$ 257,220	\$ 36,422	\$ (114,352)	\$ 179,339
Stock-based compensation, less shares forfeited	—	—	—	—	164	—	—	164
Dividends paid on Series A Preferred Stock	—	—	—	—	—	—	(1,118)	(1,118)
Dividends paid on Common Shares	—	—	—	—	—	—	(2,365)	(2,365)
Net income	—	—	—	—	—	1,887	—	1,887
Balance, June 30, 2025	2,306,748	\$ 2	47,310,139	\$ 47	\$ 257,384	\$ 38,309	\$ (117,835)	\$ 177,907

The accompanying notes, together with the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, are an integral part of these financial statements.

SACHEM CAPITAL CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)
(dollars in thousands, except share data)

FOR THE SIX MONTHS ENDED JUNE 30, 2026								
	Preferred Shares		Common Shares		Additional Paid in Capital	Cumulative Net Earnings	Cumulative Dividends Paid	Totals
	Shares	Amount	Shares	Amount				
Balance, January 1, 2026	2,312,758	\$ 2	47,684,955	\$ 48	\$ 257,905	\$ 41,826	\$ (124,844)	\$ 174,937
Stock-based compensation, less shares forfeited	—	—	269,677	—	427	—	—	427
Dividends paid on Series A Preferred Stock	—	—	—	—	—	—	(2,240)	(2,240)
Dividends paid on Common Shares	—	—	—	—	—	—	(2,878)	(2,878)
Net loss	—	—	—	—	—	(11,454)	—	(11,454)
Balance, June 30, 2026	2,312,758	\$ 2	47,954,632	\$ 48	\$ 258,332	\$ 30,372	\$ (129,962)	\$ 158,792

FOR THE SIX MONTHS ENDED JUNE 30, 2025								
	Preferred Shares		Common Shares		Additional Paid in Capital	Cumulative Net Earnings	Cumulative Dividends Paid	Totals
	Shares	Amount	Shares	Amount				
Balance, January 1, 2025	2,306,748	\$ 2	46,965,306	\$ 47	\$ 256,956	\$ 35,518	\$ (110,872)	\$ 181,651
Stock-based compensation, less shares forfeited	—	—	344,833	—	428	—	—	428
Dividends paid on Series A Preferred Stock	—	—	—	—	—	—	(2,235)	(2,235)
Dividends paid on Common Shares	—	—	—	—	—	—	(4,728)	(4,728)
Net income	—	—	—	—	—	2,791	—	2,791
Balance, June 30, 2025	2,306,748	\$ 2	47,310,139	\$ 47	\$ 257,384	\$ 38,309	\$ (117,835)	\$ 177,907

The accompanying notes, together with the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, are an integral part of these financial statements.

SACHEM CAPITAL CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(dollars in thousands)

	Six Months Ended	
	June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	\$ (11,454)	\$ 2,791
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Amortization of deferred financing costs	1,035	1,101
Depreciation and amortization expense	152	234
Stock-based compensation	427	428
Provision for credit losses related to loans held for investment	7,923	1,977
Change in valuation allowance related to loans held for sale	—	(1,047)
Impairment loss on real estate owned	191	—
Gain on sale of real estate owned and property and equipment, net	(671)	(131)
Loss (gain) on equity securities	133	(696)
Change in deferred loan fees	(477)	681
Changes in operating assets and liabilities:		
Interest and fees receivable, net	(332)	(462)
Other assets	310	(1,010)
Due from borrowers, net	(448)	(2,277)
Accounts payable and accrued liabilities	1,355	(996)
Advances from borrowers	(897)	99
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(2,753)	692
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investment securities	—	1,174
Purchase of interests in limited liability companies	(721)	(5,731)
Proceeds from investments in limited liability companies	5,616	10,963
Proceeds from sale of real estate owned	2,402	1,559
Purchase of property and equipment	—	(43)
Investments in developmental real estate	(1,104)	(1,022)
Proceeds from sale of investments in developmental real estate	1,215	—
Principal disbursements for loans	(79,308)	(80,952)
Principal collections on loans	70,360	71,394
NET CASH USED IN INVESTING ACTIVITIES	(1,540)	(2,658)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from lines of credit	38,500	36,100
Repayments on lines of credit	(21,000)	(49,862)
Proceeds from repurchase agreements	—	11,693
Repayments of repurchase agreements	—	(30,959)
Repayment of mortgage payable	(44)	(42)
Dividends paid on common shares	(2,878)	(4,728)
Dividends paid on Series A Preferred Stock	(2,240)	(2,235)
Proceeds from issuance of Senior Secured Notes	10,000	50,000
Payments of deferred financing costs	(150)	(3,593)
NET CASH PROVIDED BY FINANCING ACTIVITIES	22,188	6,374
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,895	4,408
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	10,924	18,066
CASH AND CASH EQUIVALENTS – END OF PERIOD	\$ 28,819	\$ 22,474

The accompanying notes, together with the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, are an integral part of these financial statements.

SACHEM CAPITAL CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued) (unaudited)
(dollars in thousands)

	Six months ended	
	June 30,	
	2026	2025
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Cash paid during the period for interest	\$ 11,437	\$ 11,005
Real estate acquired in connection with foreclosure of certain mortgages	\$ 6,500	\$ 6,298
Loans held for sale transferred to loans held for investment	\$ —	\$ 6,479
Developmental real estate acquired in restructuring of loan held for investment	\$ 35,948	\$ 1,696
Loans held for investment transferred to other assets	\$ 454	\$ —
Loans originated from sale of real estate owned	\$ —	\$ 840

The accompanying notes, together with the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, are an integral part of these financial statements.

SACHEM CAPITAL CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

1. The Company

Sachem Capital Corp. (the “Company”), a New York corporation, specializes in originating, underwriting, funding, servicing and managing a portfolio of first mortgage loans. The Company operates its business as one segment. The Company offers short-term (i.e., one to three years), secured, non-bank loans to real estate owners and investors to fund their acquisition, renovation, development, rehabilitation or improvement of properties located primarily in the northeastern and southeastern sections of the United States. The properties securing the Company’s loans are generally classified as residential or commercial real estate and, typically, are held for resale or investment. Each loan is typically secured by a first mortgage lien on real estate and may also be secured with additional collateral, such as other real estate owned by the borrower or its principals, a pledge of the ownership interests in the borrower by the principals thereof, and/or personal guarantees by the principals of the borrower. The Company does not lend to owner occupants of residential real estate. The Company’s primary underwriting criterion is a conservative loan to value ratio. In addition, the Company may make opportunistic real estate purchases apart from its lending activities.

Segment Reporting

The Company uses the management approach to determine reportable operating segments. The Company operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through its investments in real estate mortgage loans and real estate. The management approach considers the internal organization and reporting used by the Company’s Chief Executive Officer, whom serves as the chief operating decision maker (“CODM”) for making decisions, allocating resources and assessing performance. The CODM assesses the performance and makes operating decisions of the Company on a consolidated basis primarily based on the Company’s net income. In addition to other factors and metrics, the CODM utilizes net income as a key determinant of the amount of dividends to be distributed to the Company’s shareholders.

As the Company’s operations comprise of a single reporting segment, the segment assets are reflected on the accompanying Consolidated Balance Sheets as “total assets” and the significant segment expenses are listed on the accompanying Consolidated Statements of Operations

Contribution Agreement with Industrial Realty Group Global, LLC

On May 17, 2026, the Company entered into a Contribution Agreement (the “Contribution Agreement”) with Industrial Realty Group Global, LLC, a Delaware limited liability company (“IRG Global”). The Contribution Agreement and the transactions contemplated thereby (the “Transaction”) were unanimously approved by the Board of Directors of the Company.

Pursuant to the Contribution Agreement, IRG Global will contribute to IRG Realty Operating Partnership, L.P., a Delaware limited partnership to be formed as a subsidiary of the Company prior to the Closing (as defined below) (the “Operating Partnership”), 100% of the outstanding membership interests of IRG Master Holdings, LLC, a Delaware limited liability company (“IRG Master Holdings”), in exchange for (i) a number of common units of limited partnership interest in the Operating Partnership (“OP Units”) equal to the Transferee Consideration Units (as defined below) and (ii) a number of shares of Class B common stock of the Company (the “Class B Common Stock”) equal to the Transferee Consideration Units. IRG Master Holdings, together with its subsidiaries, owns and operates a portfolio of industrial real estate assets.

Prior to the closing of the Transaction (the “Closing”), the Company will complete a series of pre-closing reorganization steps, including (i) forming the Operating Partnership and contributing all or substantially all of its assets thereto, (ii) redomesticating from the State of New York to the State of Delaware, (iii) effecting a 20-to-1 reverse stock split of all issued and outstanding Common Shares (as defined below), following which such shares will be redesignated as Class A common stock of the Company (the “Class A Shares”), (iv) authorizing a new class of Class B Common Stock (the “Class B Shares”), (v) adjusting the conversion and anti-dilution rights applicable to the issued and outstanding preferred stock of the Company in accordance with the applicable certificate of designations to reflect the reverse stock split, and (vi) changing its corporate name to “IRG Realty Trust, Inc.”

SACHEM CAPITAL CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

The number of OP Units and Class B Shares to be issued to IRG Global at the Closing (the “Transferee Consideration Units”) will be calculated based on a formula set forth in the Contribution Agreement, subject to downward adjustment based on the aggregate shortfall in replacement value for any dispositions of IRG Master Holdings’ properties occurring during the Interim Period (as defined in the Contribution Agreement), other than dispositions with an aggregate shortfall of less than \$3.0 million. The calculation of the Transferee Consideration Units was based on an assumed implied gross asset value of the IRG Global portfolio to be contributed of approximately \$2.9 billion, with a net asset value of approximately \$1.5 billion after approximately \$1.4 billion of debt, and a deemed exchange value of the Company’s Common Shares at a price of \$2.00 per share. Immediately following the Closing, IRG Global is expected to hold approximately 94.1% of the outstanding OP Units, with the Company retaining the remaining approximately 5.9% of the outstanding OP Units. Subject to certain restrictions, a holder of OP Units may require the Operating Partnership to exchange all or a portion of such holder’s OP Units for cash or, at the option of the Company, Class A Shares on a one-for-one basis, subject to the ownership, transfer, REIT qualification and other limitations set forth in the Operating Partnership Agreement (as defined below).

The parties to the Contribution Agreement made representations and warranties customary for transactions of this type. The representations and warranties made under the Contribution Agreement do not survive the Closing. In addition, the parties made covenants customary for transactions of this type, including, among others, covenants providing for the conduct of each party’s business during the period between signing and Closing, including restrictions on specified actions without the other party’s consent, subject to customary exceptions. The Contribution Agreement may be terminated by either party under certain circumstances, including if the Closing has not occurred by April 30, 2027, subject to IRG Global’s one-time right to extend such date by up to 45 days in certain circumstances related to a pending arbitration matter, among other circumstances.

At the Closing, the parties will execute and deliver or file, as applicable, among other things, the following (forms of which are included as exhibits to the Contribution Agreement): (i) a Tax Protection Agreement, pursuant to which the Company and the Operating Partnership will agree to certain restrictions on the disposition of the contributed properties and the maintenance of minimum liability allocations for the benefit of IRG Global and certain other protected unitholders; (ii) a Registration Rights Agreement, providing IRG Global with certain registration rights with respect to the Class A Shares issuable upon exchange of the OP Units, including shelf registration and underwritten demand rights, piggyback registration rights and block trade rights, in each case subject to a six-month lock-up period following the Closing; (iii) an Amended and Restated Limited Partnership Agreement of the Operating Partnership (the “Operating Partnership Agreement”); (iv) an Amended and Restated Certificate of Incorporation of the Company; (v) Amended and Restated Bylaws of the Company; and (vi) a Property Management Agreement related to the management of the properties contributed by IRG Global and its affiliates following the Closing. The Contribution Agreement also provides that, prior to the Closing, the parties will use commercially reasonable efforts to negotiate, finalize and, effective as of the Closing, execute a strategic services agreement with respect to the provision of certain services by IRG Global or one or more of its affiliates to the Company or one or more of its subsidiaries.

Additional information regarding the Contribution Agreement and the Transaction is included in the Company’s Current Report on Form 8-K filed with the SEC on May 18, 2026.

2. Significant Accounting Policies

The significant accounting policies of the Company, unless further updated below, are consistent with those disclosed in Note 2 to the Company’s audited consolidated financial statements for the year ended December 31, 2025 included in the Company’s Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission on March 13, 2026 (the “2025 Annual Report”).

Unaudited Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles in the United States of America (“GAAP”) for complete financial statements. However, in the opinion of management, all normal and recurring adjustments considered necessary for a fair presentation have been included. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended

SACHEM CAPITAL CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

December 31, 2025 and the notes thereto included in the 2025 Annual Report. The balance sheet information as of December 31, 2025 is derived from audited financial statements, but does not include all disclosures required by GAAP. Results of operations for the three and six months ended June 30, 2026, are not necessarily indicative of the operating results to be attained in the entire fiscal year or for any subsequent period.

Basis of Presentation and Principles of Consolidation

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases the use of estimates on (a) various assumptions that consider prior reporting results, (b) projections regarding future operations and (c) general financial market and local and general economic conditions. Actual amounts could differ from those estimates. Significant estimates include the provisions for credit losses and valuation of real estate owned.

The accompanying unaudited condensed consolidated financial statements of the Company include the accounts of all subsidiaries in which the Company has control over significant operating, financial and investing decisions of the entity. All intercompany accounts and transactions have been eliminated in consolidation.

Variable Interest Entities

The Company consolidates SN Holdings LLC ("SN Holdings"), a wholly owned subsidiary of the Company established for the sole purpose of acting as the borrower under the revolving credit facility with Needham Bank (as described in Note 9 below), and Sachem Capital Corporation Holdings, LLC ("Holdings"), an indirect, wholly-owned subsidiary of the Company, formed for the sole purpose of acting as the issuer of the \$100 million Senior Secured Notes (defined below). SN Holdings and Holdings are variable interest entities ("VIEs") under the guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810-10, *Consolidation*, as they were established with insufficient equity at risk and do not have independent operations apart from the Company. The Company has determined that it is the primary beneficiary of SN Holdings and Holdings because it has both (i) the power to direct the activities that most significantly impact their economic performance and (ii) the obligation to absorb losses or the right to receive benefits that could be significant to each entity, primarily through its role as the guarantor and through its ability to direct all operational and financing decisions.

As of June 30, 2026, SN Holdings had total assets of \$99.3 million and total liabilities of \$38.6 million, consisting primarily of collateralized mortgage loans and borrowings under the Needham Credit Facility (defined below). The assets of SN Holdings can only be used to settle obligations of SN Holdings and are not available to the Company or its creditors, other than as permitted under the intercompany guaranty and lien release provisions of the Needham Credit Facility.

As of June 30, 2026, Holdings had total assets of \$187.1 million and total liabilities of \$99.2 million, consisting primarily of collateralized mortgage loans and indebtedness evidenced by the Senior Secured Notes. The assets of Holdings can only be used to settle obligations of Holdings and are not available to the Company or its creditors.

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The following table presents the assets and liabilities of our consolidated VIEs:

(in thousands)	June 30, 2026	
	SN Holdings	Holdings
Assets		
Cash and cash equivalents	\$ 200	\$ 21,401
Loans held for investment	99,140	162,226
Allowance for credit losses	(1,711)	(2,431)
Loans held for investment, net	97,429	159,795
Interest and fees receivable, net	675	1,693
Due from borrowers, net	1,029	1,418
Other assets	—	2,773
Total assets	<u>\$ 99,333</u>	<u>\$ 187,080</u>
Liabilities		
Senior secured notes payable, net	\$ —	\$ 96,848
Lines of credit	36,500	—
Accounts payable and accrued liabilities	477	1,279
Advances from borrowers	1,608	1,110
Total liabilities	<u>\$ 38,585</u>	<u>\$ 99,237</u>

3. Fair Value Measurement

The following table presents assets and liabilities measured at fair value on a recurring basis:

(in thousands)	Fair Value Measurement	
	June 30, 2026	December 31, 2025
<u>Level 1</u>		
Investment securities	\$ 803	\$ 936

Certain assets are measured at fair value on a nonrecurring basis; that is, not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment.) The following table illustrates assets and liabilities measured at fair value on a nonrecurring basis:

(in thousands)	Fair Value Measurement	
	June 30, 2026	December 31, 2025
<u>Level 3</u>		
Individually evaluated loans, net of allowance for credit losses	\$ 100,447	\$ 114,028
Real estate owned, net	20,968	16,402
Investments in developmental real estate, net	19,168	—

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The following table presents the carrying amounts and fair values of financial instruments at June 30, 2026 and December 31, 2025:

(in thousands)	Carrying Amount		Fair Value Measurement	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
<u>Level 1</u>				
Cash and cash equivalents	\$ 28,819	\$ 10,924	\$ 28,819	\$ 10,924
Notes payable (listed) - fixed rate debt	172,041	171,349	170,422	163,854
<u>Level 2</u>				
Lines of credit	36,500	19,000	36,500	19,000
<u>Level 3</u>				
Loans held for investment, net	322,313	363,678	322,313	363,678
Interest and fees receivable and due from borrowers	8,388	11,094	8,388	10,963
Investments in limited liability companies	34,237	39,132	34,237	39,132
Advances from borrowers	3,119	4,016	3,119	4,016
Senior secured notes payable	96,848	86,573	105,423	89,277
Mortgage payable	873	917	873	917

4. Loans and Allowance for Credit Losses

Loans include loans held for investment that are accounted for at amortized cost net of allowance for credit losses. The classification for a loan is based on management's strategy for the loan.

Loans held for investment

As of June 30, 2026 and December 31, 2025, the Company had 100 and 115 loans held for investment, respectively.

As of June 30, 2026 and December 31, 2025, the Company had direct reserves on outstanding principal for loans held for investment of \$8.9 million and \$6.3 million, respectively.

Loan portfolio

As of June 30, 2026 and December 31, 2025, loans held for investment on non-accrual status had an outstanding principal balance of \$95.8 million and \$117.6 million, respectively. The non-accrual loans are inclusive of loans pending foreclosure. The following table summarizes the Company's loan portfolio by past due status:

	Loans held for investment				
(in thousands)	Current	30-59 days past due	60-89 days past due	90 days and greater	Total
As of June 30, 2026	\$ 255,512	\$ —	\$ 1,710	\$ 80,335	\$ 337,557
As of March 31, 2026	\$ 259,192	\$ 37,956	\$ 1,360	\$ 57,327	\$ 355,835
As of December 31, 2025	\$ 239,615	\$ 20,218	\$ —	\$ 117,585	\$ 377,418

As of June 30, 2026 and December 31, 2025, there were no loans on accrual status that were 90 days or greater past due in their payment obligations. As of June 30, 2026 and December 31, 2025, there were loans 90 days and greater past due with gross principal balances of \$60.3 million and \$96.8 million, respectively, for which no specific allowance for credit losses was recorded. As of June 30, 2026 and December 31, 2025, there were loans 90 days and greater past due with gross principal balances of \$20.0 million and \$20.8 million, respectively, for which specific allowances were recorded.

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The aggregate gross outstanding principal of loans in pending/pre-foreclosure as of June 30, 2026, and December 31, 2025, was \$31.6 million and \$37.5 million, respectively. As of June 30, 2026, and December 31, 2025, the Company had directly reserved against these loans in foreclosure in the amounts of \$6.8 million and \$4.2 million, respectively. Further, as of June 30, 2026 and December 31, 2025, the Company had direct reserves against non-performing loans held for investment that experienced declines in fair value of \$2.1 million and \$2.1 million, respectively.

As of June 30, 2026, the Company's mortgage loan portfolio includes loans with stated interest rates ranging from 7.25% to 15.0%. The default interest rate is generally 18.0%, but could be more or less depending on state usury laws and other considerations deemed relevant by the Company.

As of June 30, 2026, no borrower exceeded 10% of the Company's outstanding mortgage loan portfolio. At December 31, 2025, the Company had one borrower representing 13.3% of the outstanding mortgage loan portfolio. These loans were included in our nonperforming loan portfolio at December 31, 2025.

The following table presents the Company's loans held for investment by geographic location as of June 30, 2026 and December 31, 2025:

	June 30, 2026		December 31, 2025	
(in thousands)	Carrying Value	% of Portfolio	Carrying Value	% of Portfolio
New England	\$ 137,801	40.9 %	\$ 163,049	43.2 %
Mid-Atlantic	48,098	14.2 %	40,483	10.7 %
South	138,213	40.9 %	170,441	45.2 %
West	13,445	4.0 %	3,445	0.9 %
Total	\$ 337,557	100.0 %	\$ 377,418	100.0 %

The following tables present the carrying value of the Company's loans held for investment based on credit quality indicators in assessing estimated credit losses and year of origination at the dates indicated:

	June 30, 2026	Year Originated ⁽¹⁾					
FICO Score ⁽²⁾ (in thousands)	Carrying Value	2026	2025	2024	2023	2022	Prior
Under 500	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
501-550	35	—	—	—	—	—	35
551-600	—	—	—	—	—	—	—
601-650	25,042	10,000	1,218	4,445	649	2,628	6,102
651-700	64,152	—	15,288	2,453	3,591	9,042	33,778
701-750	105,188	33,239	25,534	7,675	12,154	5,298	21,288
751-800	143,140	2,456	38,644	18,897	49,319	13,737	20,087
801-850	—	—	—	—	—	—	—
Total	\$ 337,557	\$ 45,695	\$ 80,684	\$ 33,470	\$ 65,713	\$ 30,705	\$81,290

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FICO Score ⁽²⁾ (in thousands)	December 31, 2025	Year Originated ⁽¹⁾					
	Carrying Value	2025	2024	2023	2022	2021	Prior
Under 500	\$ 142	\$ —	\$ 142	\$ —	\$ —	\$ —	\$ —
501-550	35	—	—	—	—	—	35
551-600	—	—	—	—	—	—	—
601-650	17,665	2,914	4,250	1,025	3,102	—	6,374
651-700	81,859	18,654	4,017	10,594	9,010	38,375	1,209
701-750	125,603	24,082	7,226	23,721	5,299	64,348	927
751-800	137,725	42,340	15,795	46,339	13,449	19,802	—
801-850	14,389	—	—	1,700	12,689	—	—
Total	\$ 377,418	\$ 87,990	\$ 31,430	\$ 83,379	\$ 43,549	\$ 122,525	\$ 8,545

(1) Represents the year of origination or amendment where the loan was subject to a full re-underwriting.

(2) The FICO Scores are calculated at the inception of the loan and are updated if the loan is modified or on an as needed basis.

The following table presents the amortized cost of collateral dependent loans:

Collateral Type	June 30, 2026	December 31, 2025
	(in thousands)	
	Collateral Dependent Loans	Collateral Dependent Loans
Residential	\$ 38,565	\$ 65,077
Commercial	49,629	27,700
Pre-Development Land	6,320	12,832
Mixed Use	14,825	14,666
Total	\$ 109,339	\$ 120,275

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Loan modifications made to borrowers experiencing financial difficulty

The following tables present loan modifications during the periods indicated made to borrowers experiencing financial difficulty:

Three months ended June 30, 2026			
(in thousands)	Carrying Value	% of Total Carrying Value of Loans held for investment, net	Financial Effect
Principal modification, with no term extension	\$ —	— %	Unpaid interest/taxes/charges added to principal balance
Term extension	23,272	7.2 %	A weighted average of 8.5 months were added to the life of the loans
Three months ended June 30, 2025			
(in thousands)	Carrying Value	% of Total Carrying Value of Loans held for investment, net	Financial Effect
Principal modification, with no term extension	\$ 14,042	3.9 %	Unpaid interest/taxes/charges added to principal balance
Term extension	25,559	7.0 %	A weighted average of 7.7 months were added to the life of the loans
Six months ended June 30, 2026			
(in thousands)	Carrying Value	% of Total Carrying Value of Loans held for investment, net	Financial Effect
Principal modification, with no term extension	\$ 5,810	1.8 %	Unpaid interest/taxes/charges added to principal balance
Term extension	55,141	17.1 %	A weighted average of 3.6 months were added to the life of the loans
Six months ended June 30, 2025			
(in thousands)	Carrying Value	% of Total Carrying Value of Loans held for investment, net	Financial Effect
Principal modification, with no term extension	\$ 14,042	3.9 %	Unpaid interest/taxes/charges added to principal balance
Term extension	47,702	13.1 %	A weighted average of 7.4 months were added to the life of the loans

As of June 30, 2026, the Company had commitments to fund an additional \$2.0 million to borrowers experiencing financial difficulty. During the six months ended June 30, 2026, the Company modified the interest rate on five loans with an outstanding principal balance of \$28.5 million. The change in the rate was due to taking the loan off default rate. As of June 30, 2025, the Company had committed to fund an additional \$7.7 million to borrowers experiencing financial difficulty. During the six months ended June 30, 2025, the Company modified the interest rate on five loans with an outstanding principal balance of \$18.9 million. The change in the rate was due to taking the loan off default rate.

The following table presents the performance of loans that have been modified during the twelve-month period ended June 30, 2026 to borrowers experiencing financial difficulty, of which none of 23 defaulted during the period.

(in thousands)	Current	90-119 days past due	120+ days past due	Total
Principal modification, with no term extension	\$ 5,810	\$ —	\$ —	\$ 5,810
Term extension	77,986	9,571	—	87,557

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The following table presents the performance of loans that have been modified during the twelve-month period ended June 30, 2025 to borrowers experiencing financial difficulty, of which none of 31 defaulted during the period.

(in thousands)	Current	90-119 days past due	120+ days past due	Total
Principal modification, with no term extension	\$ 15,268	\$ —	\$ —	\$ 15,268
Term extension	61,692	12,895	—	74,587

Allowance for credit losses

The following table presents the financial statement line items that are impacted by the allowance for credit losses for the three months ended June 30, 2026:

	Balance as of March 31, 2026	Provision for (recovery of) credit losses related to loans	Charge-offs	Balance as of June 30, 2026
(in thousands)				
Loans held for investment	\$ 12,401	\$ 1,102	\$ (12)	\$ 13,491
Interest and fees receivable	922	497	(186)	1,233
Due from borrower	1,791	753	(501)	2,043
Unfunded commitments	588	199	—	787
Total allowance for credit losses	\$ 15,702	\$ 2,551	\$ (699)	\$ 17,554

The following table presents the financial statement line items that are impacted by the allowance for credit losses for the six months ended June 30, 2026:

	Balance as of December 31, 2025	Provision for (recovery of) credit losses related to loans	Charge-offs	Balance as of June 30, 2026
(in thousands)				
Loans held for investment	\$ 11,510	\$ 5,873	\$ (3,892)	\$ 13,491
Interest and fees receivable	2,598	473	(1,838)	1,233
Due from borrower	1,084	1,460	(501)	2,043
Unfunded commitments	670	117	—	787
Total allowance for credit losses	\$ 15,862	\$ 7,923	\$ (6,231)	\$ 17,554

The following table presents activity in the allowance for credit losses by geographic location with respect to loans held for investment for the three months ended June 30, 2026:

	Balance as of March 31, 2026	Provision for (recovery of) credit losses related to loans	Charge-offs	Allowance for credit losses as of June 30, 2026
	(in thousands)			
New England	\$ 6,599	\$ 1,065	\$ —	\$ 7,664
Mid-Atlantic	2,411	(158)	—	2,253
South	1,803	(55)	(12)	1,736
West	1,588	250	—	1,838
Total	<u>\$ 12,401</u>	<u>\$ 1,102</u>	<u>\$ (12)</u>	<u>\$ 13,491</u>

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The following table presents activity in the allowance for credit losses by geographic location with respect to loans held for investment for the six months ended June 30, 2026:

	Balance as of December 31, 2025	Provision for (recovery of) credit losses related to loans	Charge-offs	Allowance for credit as of June 30, 2026
	(in thousands)			
New England	\$ 6,429	\$ 1,235	\$ —	\$
Mid-Atlantic	1,770	483	—	
South	1,681	3,947	(3,892)	
West	1,630	208	—	
Total	\$ 11,510	\$ 5,873	\$ (3,892)	\$

The following table presents charge-offs on loan principal related to loans held for investment by fiscal year of origination for the three months ended June 30, 2026:

	2026	2025	2024	2023	2022	Prior	Total
	(in thousands)						
Current period charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12	\$ 12
Total	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12	\$ 12

The following table presents charge-offs on loan principal related to loans held for investment by fiscal year of origination for the six months ended June 30, 2026:

	2026	2025	2024	2023	2022	Prior	Total
	(in thousands)						
Current period charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,892	\$ 3,892
Total	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,892	\$ 3,892

5. Investment in Developmental Real Estate, Net

As of June 30, 2026 and December 31, 2025, investment in developmental real estate, net consisted of the following:

(in thousands)	As of June 30, 2026			As of December 31, 2025		
	Cost	Accumulated Depreciation	Net investment	Cost	Accumulated Depreciation	Net investment
Land and land improvements	\$ 8,350	\$ —	\$ 8,350	\$ 8,392	\$ (15)	\$ 8,377
Building	19,563	(9)	19,554	1,346	(4)	1,342
Construction in progress	17,664	(32)	17,632	—	—	—
Total	\$ 45,577	\$ (41)	\$ 45,536	\$ 9,738	\$ (19)	\$ 9,719

In January 2026, the Company restructured the loan associated with its Naples, Florida mortgage receivable. Prior to the restructuring, the Company had designated the loan as a mortgage loan held for investment and was carried at \$39.8 million. Through the restructuring, the Company acquired 100% of the membership interests of the entity holding the condominium assets associated with this loan. The assets acquired include three completed condominium units and an entitled parcel, including existing project costs classified as construction in progress for accounting purposes, for the

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planned development of four additional condominium units. The transaction was accounted for in accordance with ASC 310 (Receivables). Based on a discounted cash flow model, the fair value of the assets acquired was estimated to be \$35.9 million, resulting in a credit loss of \$3.9 million upon restructuring of the loan. The discounted cash flow model utilized a 10.2% discount rate which is an unobservable input. The three completed condominium units carried at \$19.2 million are classified as available for sale.

During the three and six months ended June 30, 2026, the Company sold one building and the related land for net proceeds of \$1.2 million and recognized a de minimis gain on the sale.

Building and land improvements that are placed in service are being depreciated using the straight-line method over their estimated useful lives of 40 years and 15 years, respectively. For the three and six months ended June 30, 2026 and 2025, depreciation and amortization related to the asset was de minimis and is presented in other expenses on the Company's unaudited Condensed Consolidated Statements of Operations.

6. Real Estate Owned ("REO")

Properties acquired through foreclosure are included on the Company's unaudited Condensed Consolidated Balance Sheets as real estate owned. As of June 30, 2026 and December 31, 2025, real estate owned, net totaled \$21.0 million and \$16.4 million, respectively. During the six months ended June 30, 2026, the Company recorded an impairment loss on real estate owned of \$0.2 million compared to none during the six months ended June 30, 2025, which is considered a Level 3 non-recurring fair market value adjustment.

The following table presents the Company's REO activity during the six months ended June 30, 2026 and June 30, 2025:

	June 30, 2026	June 30, 2025
	(in thousands)	
Real estate owned at beginning of period	\$ 16,402	\$ 18,574
Principal basis transferred to real estate owned	6,500	6,298
Charge-offs on principal transferred	—	(3,978)
Proceeds from sale of real estate owned	(2,402)	(1,559)
Loans origination from sale of real estate owned	—	(840)
Impairment loss on real estate owned	(191)	—
Gain on sale of real estate owned	659	131
Real estate owned at end of period	\$ 20,968	\$ 18,626

7. Property and Equipment, Net

The following tables represent the Company's property and equipment, net as of June 30, 2026 and December 31, 2025:

	June 30, 2026			December 31, 2025		
(in thousands)	Cost	Accumulated Depreciation	Net investment	Cost	Accumulated Depreciation	Net investment
Building	\$ 2,594	\$ (211)	\$ 2,383	\$ 2,594	\$ (177)	\$ 2,417
Land	255	—	255	255	—	255
Furniture and fixtures	308	(214)	94	308	(185)	123
Computer hardware and software	322	(291)	31	320	(276)	44
Vehicles	502	(222)	280	502	(181)	321
Total property and equipment, net	\$ 3,981	\$ (938)	\$ 3,043	\$ 3,979	\$ (819)	\$ 3,160

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8. Other Assets

As of June 30, 2026 and December 31, 2025, other assets consisted of the following:

	June 30, 2026	December 31,
	(in thousands)	
Prepaid expenses	\$ 668	\$
Other receivables	865	
Other assets	405	
Notes receivable	6,334	
Goodwill	391	
Intangible asset – trade name	130	
Total	\$ 8,793	\$

9. Line of Credit and Mortgage Payable

Line of Credit – Needham Bank

The Company has a Credit and Security Agreement (the “Credit Agreement”), with Needham Bank, a Massachusetts co-operative bank, as the administrative agent (“Needham”) for the lenders party thereto (the “Lenders”) with respect to a committed \$50.0 million revolving credit facility (the “Needham Credit Facility”), subject to borrowing based limitations and facility covenant compliance. Under the Credit Agreement, the borrower is SN Holdings and the Company is the guarantor of all SN Holdings’ obligations under the Credit Agreement. SN Holdings, in its capacity as borrower, has granted Needham a lien on all its assets. SN Holdings is required to maintain assets equal to 2.0 times of the outstanding balance on the new credit facility. In addition, SN Holdings is required to collaterally assign to Needham mortgage loans having an outstanding principal balance in an amount no less than the greater of (i) \$30.0 million and (ii) the aggregate outstanding principal balance on the facility. The Company, in its capacity as guarantor, has agreed to grant Needham a blanket lien on all its assets. However, Needham is required to release its lien at the Company’s request to facilitate other financings in accordance with the terms of the Credit Agreement.

Loans under the Needham Credit Facility accrue interest at the greater of (i) the annual rate of interest equal to the “prime rate,” as published in the “Money Rates” column of The Wall Street Journal minus one-quarter of one percent (0.25%), and (ii) four and one-half percent (4.50%). All amounts borrowed under the Needham Credit Facility are secured by a first priority lien on virtually all of the Company’s assets. Assets excluded from the lien include real estate owned by the Company (other than real estate acquired pursuant to foreclosure). On January 21, 2026, the Company entered into Amendment No. 2 to the Credit Agreement. Amendment No. 2 extends the maturity date of the Needham Credit Facility from March 2, 2026 to March 2, 2028 and provides for an additional conditional one year extension to March 2, 2029. All other terms of the Credit Agreement remain unchanged.

All outstanding revolving loans and accrued but unpaid interest are due and payable on the expiration date. The Company may terminate the Needham Credit Facility at any time without premium or penalty by delivering written notice to Needham at least ten (10) days prior to the proposed date of termination. The Needham Credit Facility is subject to other terms and conditions, including representations and warranties, covenants and agreements typically found in these types of financing arrangements, including a covenant that requires the Company to maintain: (A) a ratio of Adjusted EBITDA (as defined in the Credit Agreement) to Debt Service (as defined in the Credit Agreement) of not less than 1.40 to 1.0, tested on a trailing-twelve-month basis at the end of each fiscal quarter; (B) a sum of cash, cash equivalents and availability under the facility equal to or greater than \$10.0 million; and (C) an asset coverage ratio of at least 150%.

As of June 30, 2026 and December 31, 2025, the total outstanding principal balance on the Needham Credit Facility was \$36.5 million and \$19.0 million, respectively, with an interest rate of 6.50% and 6.50%, respectively.

As of June 30, 2026 and December 31, 2025, the Company was in compliance with all debt covenants.

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Mortgage Payable

On February 28, 2023, the Company entered into an adjustable-rate mortgage loan with New Haven Bank in the original principal amount of \$1.7 million (the "NHB Mortgage"). The NHB Mortgage accrues interest at an initial rate of 5.75% per annum for the first 60 months. The interest rate will be adjusted on each of March 1, 2028, and March 1, 2033, to the then published 5-year Federal Home Loan Bank of Boston Classic Advance Rate, plus 1.75%. Beginning on April 1, 2023, and through March 1, 2038, principal and interest will be due and payable on a monthly basis. All payments under the loan are amortized based on a 20-year amortization schedule. Over the next five years, the Company is scheduled to make principal payments ranging from \$47,000 to \$59,000 annually, with the remaining balance due thereafter. The unpaid principal amount of the loan and all accrued and unpaid interest are due and payable in full on March 1, 2038. The loan is a non-recourse obligation, secured by a first mortgage lien on the property located at 568 East Main Street, Branford, Connecticut.

As of June 30, 2026 and December 31, 2025, the total outstanding principal balance on the NHB Mortgage was \$0.9 million and \$0.9 million, respectively.

10. Unsecured Notes Payable

At June 30, 2026, the Company had an aggregate of \$172.0 million of unsecured, unsubordinated notes payable outstanding, net of \$1.2 million of deferred financing costs (collectively, the "Notes"). At June 30, 2026, the Company had four series of Notes outstanding:

- (i) Notes having an aggregate principal amount of \$51.8 million bearing interest at 6.0% per annum and maturing December 30, 2026 (the "December 2026 Notes");
- (ii) Notes having an aggregate principal amount of \$51.7 million bearing interest at 6.0% per annum and maturing March 30, 2027 (the "March 2027 Notes");
- (iii) Notes having an aggregate principal amount of \$29.7 million bearing interest at 7.125% per annum and maturing June 30, 2027 (the "June 2027 Notes"); and
- (iv) Notes having an aggregate principal amount of \$40.1 million bearing interest at 8.00% per annum and maturing September 30, 2027 (the "September 2027 Notes").

The Notes were sold in underwritten public offerings, were issued in denomination of \$25.00 each and are listed on the NYSE American and trade under the symbols "SCCD," "SCCE," "SCCF" and "SCCG," respectively. All the Notes were issued at par. Interest on the Notes is payable quarterly on each March 30, June 30, September 30 and December 30 that they are outstanding. So long as the Notes are outstanding, the Company is prohibited from making distributions in excess of 90% of its taxable income, incurring any additional indebtedness or purchasing any shares of its capital stock unless it has an "Asset Coverage Ratio" of at least 150% after giving effect to the payment of such dividend, the incurrence of such indebtedness or the application of the net proceeds, as the case may be. The Company was in compliance with all debt covenants as of June 30, 2026. The Company may redeem the Notes, in whole or in part, without premium or penalty, at any time after their second anniversary of issuance upon at least 30 days prior written notice to the holders of the Notes. The redemption price will be equal to the outstanding principal amount of the Notes redeemed plus the accrued but unpaid interest thereon up to, but not including the date of redemption. Currently, all the Notes are callable at any time.

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The following table presents the future principal payments on the Notes payable as of June 30, 2026:

Years ending December 31,	Amount
	(in thousands)
2026 (six months remaining)	\$ 51,750
2027	121,504
Total principal payments	173,254
Deferred financing costs	(1,213)
Total notes payable, net of deferred financing costs	\$ 172,041

The following table presents the estimated amortization of the deferred financing costs as of June 30, 2026:

Years ending December 31,	Amount
	(in thousands)
2026 (six months remaining)	\$ 718
2027	495
Total deferred costs	\$ 1,213

11. Senior Secured Notes Payable

On June 11, 2025, Holdings, an indirect, wholly-owned subsidiary of the Company, consummated a private placement of \$100.0 million aggregate principal amount of Senior Secured Notes due June 11, 2030 (the "Senior Secured Notes") to various institutional investors under a Note Purchase and Guaranty Agreement (the "Senior Secured Note Purchase Agreement"). An initial draw of \$50.0 million was made at closing, an additional draw of \$40.0 million was made in September 2025, and the remaining \$10.0 million was drawn in March 2026. The Senior Secured Notes bear interest at a fixed rate of 9.875% per annum, with interest only payable quarterly on the 1st day of March, June, September and December, and include a commitment fee of 1.0% on the undrawn portion of the Senior Secured Notes. The Company paid an approximately \$1.5 million original issue discount on the \$100.0 million aggregate principal amount which is part of the \$3.6 million of deferred financing costs recorded related to the Senior Secured Notes. The deferred financing costs will be amortized over the five year term of the Senior Secured Notes using the effective interest method and amortization by year is as follows: 2026 - \$609,000, 2027 - \$718,000, 2028 - \$804,000, 2029 - \$894,000, and 2030 - \$401,000.

The Senior Secured Notes allow optional prepayment subject to a declining make-whole amount during the first three years, a declining prepayment premium in the fourth year, and then no make-whole payment or prepayment premium after the fourth year through maturity. Upon a change of control, holders of the Senior Secured Notes have the right to prepayment, if accepted, at 101% of the outstanding principal. The Senior Secured Note Purchase Agreement contains affirmative and negative covenants customary for similar secured debt instruments, including minimum asset coverage ratio; leverage and liquidity requirements; restrictions on additional indebtedness, asset sales, and distributions under certain conditions; and maintenance of REIT status by the Company. The Company was in compliance with all debt covenants as of June 30, 2026 and December 31, 2025.

The Senior Secured Note Purchase Agreement includes customary events for similar secured debt instruments. Payment of the amounts due on the Senior Secured Notes is fully and unconditionally guaranteed by the Company and Sachem Capital Corporation Intermediate, LLC, a wholly-owned subsidiary of the Company.

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12. Accounts Payable and Accrued Liabilities

The table below presents the Company's accounts payable and accrued liabilities as of June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
	(in thousands)	
Accounts payable and accrued expenses	\$ 2,991	\$ 1,551
Allowance for credit losses on unfunded commitments	787	669
Accrued interest	949	1,035
Total	<u>\$ 4,727</u>	<u>\$ 3,255</u>

13. Fee Income from Loans

The table below presents the Company's fee income from loans for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
	(in thousands)		(in thousands)	
Origination and modification fees	\$ 728	\$ 761	\$ 1,385	\$ 1,541
Extension fees	73	184	332	462
Late and other fees	129	147	293	226
Processing fees	14	30	37	51
Construction servicing fees	69	104	143	241
Legal fees	40	71	79	134
Other fees	93	474	169	541
Total	<u>\$ 1,146</u>	<u>\$ 1,771</u>	<u>\$ 2,438</u>	<u>\$ 3,196</u>

14. Commitments and Contingencies

Unfunded Commitments

At June 30, 2026, the Company had future funding obligations on loans held for investment totaling \$41.4 million and obligations relating to investments in limited liability companies totaling \$0.7 million, which can be drawn by the borrowers when the conditions relating thereto have been satisfied. The unfunded commitments will be funded from loan payoffs and additional drawdowns under existing and future credit facilities and proceeds from sale of debt and equity securities. The Company's unfunded commitments are subject to allowances under the scope of current expected credit losses. See Note 4 – Loans and Allowance for Credit Losses — for further details.

Litigation

The Company is subject to various pending and threatened legal proceedings or other matters arising out of the normal conduct of business in which claims for monetary damages are asserted. As of the date of this report, management, after consultation with legal counsel, does not anticipate that the aggregate ultimate liability arising out of such pending or threatened matters will be material to the Company's consolidated financial position. On at least a quarterly basis, the Company assesses its liabilities and contingencies in connection with such matters. For those matters where it is probable that the Company will incur losses and the amounts of the losses can be reasonably estimated, the Company records an expense and corresponding liability in its consolidated financial statements. To the extent such matters could result in exposure in excess of that liability, the amount of such excess is not currently estimable. The range of losses for matters where an exposure is

not currently estimable or considered probable is not believed to be material in the aggregate. This is based on information currently available to the Company and involves elements of judgment and significant uncertainties.

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While the Company does not believe that the outcome of pending or threatened litigation or other matters will be material to the Company's consolidated financial position, it cannot rule out the possibility that such outcomes will be material to the consolidated results of operations for a particular reporting period in the future. In addition, regardless of the ultimate outcome of any such legal proceeding, inquiry or investigation, any such matter could cause the Company to incur additional expenses, which could be significant, and possibly material, to the Company's results of operations in any future period.

On April 6, 2026, Oppenheimer & Co. Inc. filed a complaint against the Company and Sachem Capital Corporation Holdings, LLC in the United States District Court for the Southern District of New York, asserting claims for breach of contract and quantum meruit relating to a May 2024 engagement letter. The complaint sought damages of not less than approximately \$1.8 million, plus interest, costs, disbursements and attorneys' fees. In July 2026, Oppenheimer & Co. voluntarily dismissed the complaint without prejudice, preserving its right to refile its claims. The Company believes the claims are without merit and intends to vigorously defend against any refiled action.

On July 27, 2026, a group of seventeen plaintiffs filed a complaint in the Superior Court of the State of California in the County of Los Angeles, Case No. 26STCV23391, against the Company, IRG Master Holdings, IRG Holdings Manager, LLC ("IRGHM"), IRG Global, and Stuart Lichter (together with IRG Master Holdings, IRGHM, and IRG Global, the "IRG Defendants"). The plaintiffs purport to be investors who hold interests in IRG Master Holdings. The complaint alleges, among other things, that the plaintiffs are pursuing certain claims against the IRG Defendants in an underlying arbitration (the "Arbitration"). The Company is not a party to the underlying Arbitration. The Complaint asserts a single cause of action for injunctive relief in aid of arbitration, pursuant to California Code of Civil Procedure sections 1281.8 and 525, et seq., seeking to enjoin the closing of the previously announced Transaction and certain related transactions, until the conclusion of the Arbitration. The Company intends to vigorously defend itself against the claims made in the complaint.

Other

In the normal course of its business, the Company is named as a party-defendant in connection with tax foreclosure proceedings against properties on which it holds a first mortgage lien. The Company actively monitors these actions and, in all cases, believes there remains sufficient value in the subject property to assure that no loan impairment exists. At June 30, 2026, there was one such property with an unpaid principal balance of \$1.3 million, net of reserves for credit losses. At December 31, 2025, there was one such property with an unpaid principal balance of \$0.3 million.

15. Related Party Transactions

In the ordinary course of business, the Company may originate, fund, manage and service loans to shareholders. The underwriting process on these loans adheres to prevailing Company policy. The terms of such loans, including the interest rate, income, origination fees, and other closing costs are the same as those applicable to loans made to unrelated third parties in the portfolio. As of June 30, 2026, and December 31, 2025, loans to known shareholders totaled \$19.5 million and \$17.2 million, respectively, which is included in loans held for investment, net in the Company's accompanying Condensed Consolidated Balance Sheets. Of these amounts, \$19.5 million and \$17.2 million, respectively, were loaned to a joint venture entity fifty percent owned in aggregate by the Company's Senior Vice President of Asset Management and Vice President of Asset Management. All such loans are performing. Interest income earned on all related party loans for the three and six months ended June 30, 2026 totaled \$0.3 million and \$0.6 million, respectively. Interest income earned on all related party loans for the three and six months ended June 30, 2025 totaled \$0.3 million and \$0.8 million, respectively.

Subsequent to June 30, 2026, one of the loans to the related-party joint venture was repaid in full following the sale of the underlying Coconut Grove, Florida residence. The residence sold for gross sale proceeds of approximately \$7.5 million and generated net sale proceeds of approximately \$7.0 million. The Company received approximately \$7.0 million in cash to repay the associated loan in full.

In December 2021, the Company hired the daughter of its chief executive officer to perform certain internal audit and compliance services. For the three and six months ended June 30, 2026, she received compensation of \$0.1 million and \$0.2 million, respectively. For the three and six months ended June 30, 2025, she received compensation of \$0.1 million and \$0.1 million, respectively.

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16. Stock-Based Compensation and Employee Benefits

Stock-Based Compensation

On July 9, 2025, the Company adopted the 2025 Omnibus Incentive Plan (the "2025 Plan"), which replaced the 2016 Equity Compensation Plan. The purpose of the 2025 Plan is to align the interests of the Company's officers, other employees, advisors and consultants or any subsidiary, if any, with those of the Company's shareholders and to afford an incentive to such officers, employees, consultants and advisors to continue as such, to increase their efforts on the Company's behalf and to promote the success of the Company's business. The maximum number of the Company's common shares, par value \$0.001 per share (the "Common Shares") reserved for grant of awards under the 2025 Plan is 2,936,762. The number of securities remaining available for future issuance under the 2025 Plan as of June 30, 2026 was 2,276,038.

During the six months ended June 30, 2026, the Company granted an aggregate of 282,217 restricted Common Shares, net of shares surrendered to cover taxes, under the 2025 Plan with a grant date fair value of \$0.3 million. During the six months ended June 30, 2025, the Company granted an aggregate of 767,668 restricted Common Shares, of which a grant of 420,168 shares was rescinded immediately after the grant, with a grant date fair value of \$0.9 million.

Stock-based compensation for the three and six months ended June 30, 2026 was \$0.2 million and \$0.4 million, respectively. Stock-based compensation for the three and six months ended June 30, 2025 was \$0.2 million and \$0.4 million, respectively. As of June 30, 2026, there was unrecognized stock-based compensation expense of \$0.6 million.

Employee Benefits

On April 16, 2018, the Company's Board of Directors approved the adoption of the Sachem Capital Corp. 401(k) Profit Sharing Plan (the "401(k) Plan"). All employees, who meet the participation criteria, are eligible to participate in the 401(k) Plan. Under the terms of the 401(k) Plan, the Company is obligated to contribute 3% of a participant's compensation to the 401(k) Plan on behalf of an employee-participant. For the three and six months ended June 30, 2026, the 401(k) Plan expense was \$30,661 and \$74,595, respectively, and for the three and six months ended June 30, 2025, the 401(k) Plan expense was \$23,655 and \$60,147, which is included within compensation and employee benefits in the accompanying unaudited Condensed Consolidated Statements of Operations.

17. Equity

Series A Preferred Stock

The Company has designated 3,332,000 shares of its authorized preferred shares, par value \$0.001 per share, as shares of Series A Preferred Stock (the "Series A Preferred Stock") with the powers, designations, preferences and other rights as set forth in an Amended and Restated Certificate of Designation (the "Series A Designation Certificate"). The Series A Designation Certificate provides that the Company will pay quarterly cumulative dividends on the Series A Preferred Stock, in arrears, on the 30th day of each March, June, September and December, and including, the date of original issuance of the Series A Preferred Stock until redeemed at 7.75% of the \$25.00 per share liquidation preference per annum (equivalent to \$1.9375 per annum per share). The Series A Preferred Stock is not redeemable before June 29, 2026, except upon the occurrence of a Change of Control (as defined in the Series A Designation Certificate). On or after June 29, 2026, the Company may, at its option, redeem any or all of the shares of the Series A Preferred Stock at \$25.00 per share plus any accumulated and unpaid dividends to, but not including the redemption date. Upon the occurrence of a Change of Control, the Company may, at its option, redeem any or all of the shares of Series A Preferred Stock within 120 days after the first date on which such Change of Control occurred at \$25.00 per share plus any accumulated and unpaid dividends to, but not including, the redemption date. The Series A Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless repurchased or redeemed by the Company or converted into Common Shares in connection with a Change of Control by the holders of the Series A Preferred Stock. Upon the occurrence of a Change of Control, each holder of Series A Preferred Stock will have the right (subject to the Company's election to redeem the Series A Preferred Stock in whole or in part, as described above, prior to the Change of Control Conversion Date as defined in the Series A Designation Certificate) to convert some or all of the Series A Preferred Stock held by such holder on the Change of Control Conversion Date into a number of the Common Shares determined by formula, in each case, on the terms and subject to the conditions described in the Series A

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Designation Certificate, including provisions for the receipt, under specified circumstances, of alternative consideration as described in the Series A Designation Certificate. Except under limited circumstances, holders of the Series A Preferred Stock generally do not have any voting rights. The Company has reserved 83,300,000 Common Shares for issuance upon conversion of the Series A Preferred Stock.

At-The-Market Offerings

On November 11, 2025, the Company filed a prospectus supplement to its Form S-3 Registration Statement covering the sale of up to \$18.45 million of its Series A Preferred Stock in an ATM offering (the "ATM Offering"). There were no sales under the ATM Offering during the three and six months ended June 30, 2026. During the year ended December 31, 2025, the Company did not sell any Common Shares but it did sell 6,010 shares of Series A Preferred Stock having an aggregate liquidation preference of \$0.1 million, realizing gross proceeds of \$0.1 million (representing a discount of 25.5% from the liquidation preference). The Company's issuance costs for Series A Preferred Stock shares sold during the year ended December 31, 2025 were de minimis. At June 30, 2026, \$18.3 million of Series A Preferred Stock were available for future sale under the ATM Offering.

Repurchase Plan

Effective on October 10, 2024, the Board adopted a Repurchase Plan (the "Repurchase Plan"). Under the Repurchase Plan, the Company may repurchase up to an aggregate of 5,802,959 of Common Shares and share repurchases will be made from time to time on the open market at prevailing market prices in accordance with applicable federal securities laws, including Rule 10b-18 of the Exchange Act.

During the three and six months ended June 30, 2026 and the year ended December 31, 2025, the Company did not repurchase any Common Shares.

18. Earnings (Losses) Per Share

Basic and diluted earnings (losses) per share are calculated in accordance with FASB ASC 260 (Earnings Per Share). Under FASB ASC 260, basic earnings per share is computed by dividing net income (loss) available to the common shareholders by the weighted-average number of Common Shares outstanding for the period. The computation of diluted earnings (losses) per share is similar to basic earnings (losses) per share, except that the denominator is increased to include the potential dilution from the Company's unvested restricted stock awards that contain non-forfeitable rights to dividends so therefore deemed to participating securities for Common Shares using the two-class method. The numerator in calculating both basic and diluted earnings (losses) per Common Share for each period is the reported net income (loss) available to common shareholders.

For the three and six months ended June 30, 2026, the Company had basic and diluted weighted average Common Shares outstanding of 47,281,931 and 47,230,349, respectively, resulting in basic and diluted loss per Common Share of \$0.14 and \$0.29, respectively. For the three and six months ended June 30, 2025, the Company had basic and diluted weighted average Common Shares outstanding of 46,875,187 and 46,830,215, respectively, resulting in basic and diluted income per Common Share of \$0.02 and \$0.01, respectively.

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19. Limited Liability Company (“LLC”) Investments

The following table presents the carrying value of each investment reflected on the Company's unaudited Condensed Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025:

Investment	June 30, 2026		December 31, 2025	
	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
	(in thousands)		(in thousands)	
Shem Creek Capital Fund V LLC	\$ 770	7.6%	\$ 867	7.6%
Shem Creek Capital Fund VI LLC	1,463	9.9%	3,071	9.9%
Shem Creek Capital Fund VII LLC	4,294	13.0%	3,605	13.0%
Shem Creek Sachem V LLC	1,639	49.0%	1,736	49.0%
Shem Creek Sachem VI LLC	10,440	44.6%	13,403	45.5%
Shem Creek Sachem 100 LLC	8,131	69.5%	8,950	67.6%
Shem Creek Capital LLC	5,000	20.0%	5,000	20.0%
Total Shem LLC Investments	\$ 31,737		\$ 36,632	
Cordo CLT Investors LLC	\$ 2,500	7.2%	\$ 2,500	7.2%
Total investments in LLC's	\$ 34,237		\$ 39,132	

Shem Creek (“Shem”)

For the three months ended June 30, 2026, the Shem LLC investments generated \$0.7 million of interest income and \$0.1 million of other income. For the six months ended June 30, 2026, the Shem LLC investments generated \$1.6 million of interest income and \$0.2 million of other income. For the three months ended June 30, 2025, the Shem LLC investments generated \$0.9 million of interest income and \$0.1 million of other income. For the six months ended June 30, 2025, the Shem LLC investments generated \$2.8 million of interest income and \$0.2 million of other income.

At June 30, 2026, the Company had unfunded commitments totaling \$0.7 million to the Shem LLC entities.

Cordo CLT Investors LLC

In September 2024, the Company, through its wholly owned subsidiary Urbane Capital, LLC, acquired a member's interest in Cordo CLT Investors LLC for a one time contribution of \$2.5 million. As of June 30, 2026 and December 31, 2025, the Company held 7.2% of total common member equity. This entity was formed for the sole purpose of developing a commercial multifamily property in Charlotte, North Carolina. The Company anticipates the project construction to be completed by the end of 2026, with monetization of the Company's investment in the first half of 2028 upon rent stabilization of the project.

20. Income Taxes

To qualify as a REIT for federal income tax purposes, at least 90% of taxable income (excluding 100% of net capital gains) must be distributed to stockholders. REITs that do not distribute a certain amount of taxable income in the current year are also subject to a 4% federal excise tax. Undistributed net income for federal income tax purposes differs from undistributed net income for GAAP purposes primarily due to the recognition of straight-line rent revenue, determining the basis of acquired assets, recording of impairments, the useful life and depreciation and amortization methods for real property and the provision for loan losses for financial reporting purposes versus bad debt expense for federal income tax purposes.

For the three and six months ended June 30, 2026, the Company's taxable REIT subsidiary ("TRS") recognized a de minimis provision for federal and state income tax, which would be presented in other expenses on the Company's unaudited Condensed Consolidated Statements of Operations.

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The table below presents the effects of temporary differences that gave rise to significant portions of deferred tax assets and liabilities as of June 30, 2026:

	June 30, 2026
Deferred Tax Assets:	
Net Operating Loss Carryforwards	\$ 1,054
Investment in LLCs	179
Basis in REO Assets	261
Total Gross Deferred Tax Assets	1,494
Less: Valuation Allowance	(1,395)
Net Deferred Tax Assets	99
Deferred Tax Liabilities:	
Depreciation	(54)
Prepaid Expenses	(12)
Amortization	(33)
Total Deferred Tax Liabilities	(99)
Total Deferred Tax Assets/(Liabilities)	\$ —

At June 30, 2026, the Company's TRS had federal net operating loss carryforwards of approximately \$4.7 million. These losses were generated after 2017 and therefore may be carried forward indefinitely but may be used to offset only 80% of taxable income in any given year.

The Company evaluates the realizability of deferred tax assets based on available evidence, including the history of taxable income and projected future taxable income of the TRS.

Because the TRS has generated cumulative losses in recent years and uncertainty exists regarding the timing of future taxable income, management concluded that it is more likely than not that the deferred tax assets will not be realized. Accordingly, the Company recorded a valuation allowance against substantially all deferred tax assets at June 30, 2026.

The income tax provision for the Company differs from the amount computed from applying the statutory federal income tax rate to income before income taxes due to non-taxable REIT income and other permanent differences including the non-deductibility of acquisition costs of business combinations for federal income tax reporting.

The Company has determined that there are no uncertain tax positions requiring accrual or disclosure in the accompanying unaudited condensed consolidated financial statements as of June 30, 2026.

21. Subsequent Events

The Company evaluated subsequent events from July 1, 2026 until the condensed consolidated financial statements were available to be issued. Based on the evaluation, no adjustments were required in the accompanying unaudited condensed consolidated financial statements.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company’s financial condition and results of operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and the notes to those statements included elsewhere in this Report. Certain statements in this discussion and elsewhere in this Report constitute forward-looking statements, within the meaning of section 21E of the Exchange Act, that involve risks and uncertainties. Actual operating results and financial conditions may differ materially from those anticipated in these forward-looking statements.

Company Overview

Sachem Capital Corp., a New York corporation, established in 2010 and completing an initial public offering in 2017, is a self-managed REIT that specializes in originating, underwriting, funding, servicing and managing a portfolio of first mortgage loans. We operate its business as one segment. We offer short-term (i.e., one to three years), secured, non-bank loans to real estate owners and investors to fund their acquisition, renovation, development, rehabilitation or improvement of properties located primarily in the northeastern and southeastern sections of the United States. The properties securing our loans are generally classified as residential or commercial real estate and, typically, are held for resale or investment. Each loan is typically secured by a first mortgage lien on real estate and may also be secured with additional collateral, such as other real estate owned by the borrower or its principals, a pledge of the ownership interests in the borrower by the principals thereof, and/or personal guarantees by the principals of the borrower. We do not lend to owner occupants of residential real estate. Our primary underwriting criterion is a conservative loan to value ratio. In addition, we may make opportunistic real estate purchases and investments apart from its lending activities.

Recent Developments

Contribution Agreement with Industrial Realty Group Global, LLC

On May 17, 2026, we entered into a Contribution Agreement (the “Contribution Agreement”) with Industrial Realty Group Global, LLC, a Delaware limited liability company (“IRG Global”). The Contribution Agreement and the transactions contemplated thereby (the “Transaction”) were unanimously approved by our Board of Directors.

Pursuant to the Contribution Agreement, IRG Global will contribute to IRG Realty Operating Partnership, L.P., a Delaware limited partnership to be formed as our subsidiary prior to the Closing (as defined below) (the “Operating Partnership”), 100% of the outstanding membership interests of IRG Master Holdings, LLC, a Delaware limited liability company (“IRG Master Holdings”), in exchange for (i) a number of common units of limited partnership interest in the Operating Partnership (“OP Units”) equal to the Transferee Consideration Units (as defined below) and (ii) a number of shares of our Class B common stock (the “Class B Common Stock”) equal to the Transferee Consideration Units. IRG Master Holdings, together with its subsidiaries, owns and operates a portfolio of industrial real estate assets.

Prior to the closing of the Transaction (the “Closing”), we will complete a series of pre-closing reorganization steps (the “Pre-Closing Reorganization”), including (i) forming the Operating Partnership and contributing all or substantially all of our assets thereto, (ii) redomesticating from the State of New York to the State of Delaware, (iii) effecting a 20-to-1 reverse stock split of our issued and outstanding common shares, following which such shares will be redesignated as our Class A common stock (the “Class A Shares”), (iv) authorizing a new class of Class B Common Stock (the “Class B Shares”), (v) adjusting the conversion and anti-dilution rights applicable to our issued and outstanding preferred stock in accordance with the applicable certificate of designations to reflect the reverse stock split, and (vi) changing our corporate name to “IRG Realty Trust, Inc.”

The number of OP Units and Class B Shares to be issued to IRG Global at the Closing (the “Transferee Consideration Units”) will be calculated based on a formula set forth in the Contribution Agreement, subject to downward adjustment based on the aggregate shortfall in replacement value for any dispositions of IRG Master Holdings’ properties occurring during the Interim Period (as defined in the Contribution Agreement), other than dispositions with an aggregate shortfall of less than \$3.0 million. The calculation of the Transferee Consideration Units was based on an assumed implied gross asset value of the IRG Global portfolio to be contributed of approximately \$2.9 billion, with a net asset value of approximately \$1.5 billion after approximately \$1.4 billion of debt, and a deemed exchange value of our common shares at a price of \$2.00 per share. Immediately following the Closing, IRG Global is expected to hold approximately 94.1% of the outstanding OP Units, with us retaining the remaining approximately 5.9% of the outstanding OP Units. Subject to certain restrictions, a holder of OP Units may require the Operating Partnership to exchange all or a portion of such holder’s OP

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Units for cash or, at our option, Class A Shares on a one-for-one basis, subject to the ownership, transfer, REIT qualification and other limitations set forth in an Amended and Restated Limited Partnership Agreement, which is expected to be executed in connection with the Closing of the Transaction.

For additional information on the Contribution Agreement, see our Current Report on Form 8-K filed with the SEC on May 18, 2026 and Note 1 – The Company, Contribution Agreement with Industrial Realty Group Global, LLC – to our accompanying unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Portfolio and Asset Management Updates

Coconut Grove, Florida. Subsequent to June 30, 2026, one of the loans to the related-party joint venture was repaid in full following the sale of the underlying Coconut Grove, Florida residence. The residence sold for gross sale proceeds of approximately \$7.5 million and generated net sale proceeds of approximately \$7.0 million. The Company received approximately \$7.0 million in cash to repay the associated loan in full. Of the two remaining residences, one is complete and actively marketed for sale, and the other is expected to be completed and placed on the market during the fourth quarter of 2026.

Vela Cove—Naples, Florida. Through the date of this Report, we completed improvements to the common areas of the completed North Building, including the rooftop and pool, and rebranded the project, formerly known as The Nautilus, as Vela Cove. We engaged a new marketing and listing team for the three completed North Building residences and for pre-sales of the four planned South Building residences. We reengaged the South Building architect under a comprehensive agreement covering completion and coordination of the construction plans, and that work is underway. We also completed negotiations with the selected general contractor and currently expect substantive construction work on the South Building parcel to commence in early fourth quarter 2026. Urbane Capital, our in-house asset management and development platform, continues to oversee the development and monetization of the project.

Critical Accounting Policies and Use of Estimates

The preparation of our unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management will base the use of estimates on (a) various assumptions that consider prior reporting results, (b) projections regarding future operations and (c) general financial market and local and general economic conditions. Actual amounts could differ from those estimates. Significant estimates include the provisions for current expected credit losses and real estate owned. See Note 2 – Significant Accounting Policies – to our unaudited condensed consolidated financial statements for further details.

Revenue Recognition

Interest income from commercial loans is recognized, as earned, over the loan period, whereas origination and modification fee revenue on commercial loans are amortized over the term of the respective notes.

CECL Allowance

We record an allowance for credit losses (“CECL”) in accordance with the CECL standard on our loan portfolio, including unfunded construction commitments, on a collective basis by assets with similar risk characteristics. This methodology replaces the probable incurred loss impairment methodology. In addition, interest and fees receivable and amounts included in due from borrowers, other than reimbursements, which include origination, modification and other fees receivable are also analyzed for credit losses in accordance with the CECL standard, as they represent a financial asset that is subject to credit risk. Further, CECL requires credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities if management does not intend to sell and does not believe that it is more likely than not, they will be required to sell. As allowed under the CECL standard that we have adopted, as a practical expedient, the fair value of the collateral at the reporting date is compared to the net carrying amount of the loan when determining the allowance for credit losses for loans in pending/pre-foreclosure status, as defined. Fair value of collateral is reduced by estimated cost to sell if the collateral is expected to be sold. The CECL standard requires an entity to consider historical loss experience, current conditions, and a reasonable and supportable forecast of the economic environment. We utilize a loss-rate method for estimating current expected credit losses. The loss rate method involves applying a loss rate to a pool of loans with similar risk characteristics to estimate the expected credit losses on that pool of loans. In determining the CECL allowance, we consider various factors including (1) historical loss experience in our portfolio, (2) loan specific losses for loans deemed collateral dependent based on excess amortized cost over the fair value of the underlying collateral,

and (3) our current and future view of the macroeconomic environment. We also utilize a reasonable and supportable forecast period equal to the contractual term of the loan plus any applicable short-term extensions that are reasonably expected for construction loans. Loans, interest receivable, due from borrowers, unfunded commitments, and (available-for-sale debt) investment securities are all presented on a net basis on the unaudited Condensed Consolidated Balance Sheets with expanded disclosures in the notes to the unaudited condensed consolidated financial statements. The change in the balances during the reporting period are recorded in the unaudited Condensed Consolidated Statements of Operations under the provision for credit losses.

Real Estate Owned (“REO”)

REO acquired through foreclosure is initially measured at fair value and is thereafter subject to an ongoing impairment analysis. After an REO acquisition, events or circumstances may occur that result in a material and sustained decrease in the cash flows generated from the property or other market indicators, including listing data, may signal a decline in the liquidation value. REO is evaluated for recoverability when impairment indicators are identified. Any impairment losses or recoveries are included in the unaudited Condensed Consolidated Statements of Operations.

Our Mortgage Loan Portfolio

The following table presents certain information regarding our real estate lending activities for the three and six months ended June 30, 2026:

	Three Months Ended June 30, 2026		Six Months Ended June 30, 2026	
	(in thousands, except number of loans)			
Loans disbursed ⁽¹⁾	\$	40,547	\$	75,747
Loans originated		7		11
Loan repayments	\$	52,310	\$	70,360
Number of loans repaid		14		23
Principal of loans transferred to real estate owned	\$	6,500	\$	6,500
Number of loans transferred to real estate owned		1		1
	As of June 30, 2026		As of December 31, 2025	
	(in thousands, except number of loans and weighted averages)			
Number of loans held for investment outstanding		100		115
Gross principal amount of loans held for investment	\$	337,557	\$	377,418
Weighted average contractual interest rate ⁽²⁾		11.46 %		13.10 %
Weighted average term to maturity (in months) ⁽³⁾		6		8

(1) Includes new originations, modifications, and draws

(2) Includes default interest.

(3) Does not give effect to extensions.

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The table below presents our loans held for investment by loan size as of June 30, 2026:

Amount	Number of Loans	Percentage	Aggregate Gross Principal Amount	Percentage
(in thousands)				
\$1,000,000 or less	41	41.0 %	\$ 16,881	4.9 %
\$1,000,001 to \$5,000,000	39	39.0 %	88,804	26.3 %
\$5,000,001 to \$10,000,000	11	11.0 %	84,386	25.0 %
\$10,000,001 or more	9	9.0 %	147,486	43.8 %
Total	100	100.0 %	\$ 337,557	100.0 %

As of June 30, 2026, the primary geographic markets in which we were exposed were Connecticut, Florida, Massachusetts and New York. The following table presents our loans held for investment by state as of June 30, 2026:

State	Number of Loans	Percentage	Gross Amount Outstanding	Percentage
(in thousands)				
California	1	1.0 %	\$ 10,000	2.9 %
Connecticut	41	41.0 %	93,682	27.9 %
Florida	11	11.0 %	73,595	21.8 %
Georgia	1	1.0 %	1,200	0.4 %
Maine	1	1.0 %	550	0.2 %
Maryland	2	2.0 %	3,073	0.9 %
Massachusetts	9	9.0 %	43,159	12.8 %
New Jersey	4	4.0 %	13,228	3.9 %
New York	16	16.0 %	29,506	8.7 %
North Carolina	5	5.0 %	34,981	10.4 %
Pennsylvania	2	2.0 %	4,890	1.4 %
Rhode Island	1	1.0 %	412	0.1 %
South Carolina	3	3.0 %	11,579	3.4 %
Tennessee	2	2.0 %	16,857	5.0 %
Washington D.C.	1	1.0 %	845	0.2 %
Total	100	100.0 %	\$ 337,557	100.0 %

The following table presents our loans held for investment as of June 30, 2026 by year of origination:

Year of Origination	Number of Loans	Percentage	Aggregate Gross Principal Amount	
			(in thousands)	
2026	9	9.0 %	\$ 45,695	13.5 %
2025	19	19.0 %	\$ 80,684	24.0 %
2024	14	14.0 %	33,470	9.9 %
2023	13	13.0 %	65,713	19.5 %
2022	17	17.0 %	30,705	9.1 %
2021	19	19.0 %	73,073	21.6 %
2020	4	4.0 %	6,199	1.8 %
2019 and prior	5	5.0 %	2,018	0.6 %
Total	100	100.0 %	\$ 337,557	100.0 %

The following table presents additional information regarding the types of properties securing loans held for investment as of June 30, 2026 and December 31, 2025:

	June 30, 2026		December 31, 2025	
	(in thousands)			
	Aggregate Gross Principal Amount	Percentage	Aggregate Gross Principal Amount	Percentage
Residential	\$ 173,302	51.2 %	\$ 202,234	53.6 %
Commercial	105,207	31.2 %	110,178	29.2 %
Pre-Development Land	11,369	3.4 %	17,977	4.8 %
Mixed Use	47,679	14.2 %	47,029	12.4 %
Total	\$ 337,557	100.0 %	\$ 377,418	100.0 %

Allowance for Credit Losses

Our allowance for credit losses is influenced by historical loss experience, current exposure by geographical region, current expected credit losses on loans in foreclosure based on fair value less cost to sell, non-performing status, and other supportable forecasts of economic conditions. A loan is considered non-performing once it has been delinquent on its monthly payments 90 days or more.

The following table presents the allowance for credit losses against unpaid principal balance of loans held for investment as of June 30, 2026 and December 31, 2025:

	June 30, 2026			December 31, 2025		
	(in thousands)					
	Aggregate Gross Principal Amount	Allowance	Percentage of Respective Principal	Aggregate Gross Principal Amount	Allowance	Percentage of Respective Principal
Performing – General reserve	\$ 228,218	\$ (4,599)	2.0 %	\$ 259,833	\$ (5,262)	2.0 %
Non-performing – Direct reserves	77,712	(2,114)	2.7 %	80,079	(2,054)	2.6 %
Non-performing in Foreclosure – Direct reserves	31,627	(6,778)	21.4 %	37,506	(4,194)	11.2 %
Non-performing subtotal	\$ 109,339	\$ (8,892)	8.1 %	\$ 117,585	\$ (6,248)	5.3 %
Total	\$ 337,557	\$ (13,491)	4.0 %	\$ 377,418	\$ (11,510)	3.0 %

For further information, see Note 4 – Loans and Allowance for Credit Losses — to our unaudited condensed consolidated financial statements.

Investment in Developmental Real Estate

As of June 30, 2026, we owned five projects that were classified as investments in developmental real estate. The projects are in various phases of completion. The following table details the carrying value of our investments in developmental real estate owned property reflected on our unaudited Condensed Consolidated Balance Sheet as of June 30, 2026:

Property Type	Location	Month of Acquisition	Carrying Value
(in thousands)			
Commercial	Branford, CT	July 2025	\$ 1,541
Residential - Single family (2 parcels)	Old Lyme, CT	May 2025	696
Residential - Multifamily (1 parcel)	East Windsor, CT	March 2025	2,259
Residential - Multifamily (2 parcels)	New London, CT	November 2024	4,250
Residential - Multifamily (3 completed units and one parcel)	Naples, FL	January 2026	36,831
Accumulated depreciation			(41)
Total			<u>\$ 45,536</u>

For further information, see Note 5 – Investment in Developmental Real Estate, Net — to our unaudited condensed consolidated financial statements.

We have fully rebranded the Naples, Florida condominium project included above as Vela Cove and relaunched full-scale marketing for the three completed north building residences currently available for sale. We have also awarded the architect and construction contracts and expect to break ground on the four-unit south building parcel early fourth quarter 2026. Presale activity on the south building units is expected to occur alongside of the completed unit marketing efforts.

Real Estate Owned

As of June 30, 2026, we owned eleven properties, each of which previously served as collateral for first mortgage loans. The following table presents the carrying value of each of our properties reflected on our unaudited Condensed Consolidated Balance Sheet as of June 30, 2026:

Property Type	Location	Month of Acquisition	Carrying Value
(in thousands)			
Commercial - Restaurant	Bristol, CT	March 2019	\$ 750
Land	Bristol, CT	December 2019	821
Residential - Single Family	Bellingham, MA	December 2023	293
Residential - Multi Family	Flagler Beach, FL	October 2024	3,382
Commercial - Office	Windsor, CT	December 2024	1,400
Commercial - Office	Windsor, CT	December 2024	2,000
Commercial - Office	Wilton, CT	September 2025	1,338
Commercial - Office	Wilton, CT	September 2025	334
Residential - Multi Family	Jacksonville, FL	October 2025	2,400
Residential - Multi Family	Daytona Beach, FL	October 2025	1,750
Land	Lake Worth, FL	June 2026	6,500
Total			<u>\$ 20,968</u>

For further information, see Note 6 – Real Estate Owned (REO) — to our unaudited condensed consolidated financial statements.

Results of Operations

Our results of operations depend primarily on net interest income, the credit performance of our loan portfolio, and the effectiveness of our operating platform. These results are affected by a variety of factors, including demand for commercial real estate loans, competitive conditions in loan origination, the cost, structure, and availability of financing, operating expense levels, and the performance of the collateral securing our loans.

Three months ended June 30, 2026 compared to three months ended June 30, 2025

	Three Months Ended June 30,			
	2026	2025	\$ Change	% Change
Interest income from loans	\$ 7,252	\$ 7,482	\$ (230)	(3.1)%
Interest income from limited liability company investments	750	859	(109)	(12.7)%
Interest expense and amortization of deferred financing costs	(6,328)	(6,139)	189	3.1 %
Net interest income	1,674	2,202	(528)	(24.0)%
Net interest margin	1.9 %	2.3 %		
Provision for credit losses related to loans held for investment	(2,551)	(925)	1,626	175.8 %
Change in valuation allowance related to loans held for sale	—	1,043	(1,043)	(100.0)%
Net interest (loss) income after provision for credit losses related to loans held for investment and changes in valuation allowance related to loans held for sale	(877)	2,320	(3,197)	(137.8)%
Other income				
Fee income from loans	1,146	1,771	(625)	(35.3)%
Income from limited liability company investments	71	119	(48)	(40.3)%
Other investment income	4	12	(8)	(66.7)%
Gain on equity securities	7	821	(814)	(99.1)%
Other income	134	532	(398)	(74.8)%
Total other income	1,362	3,255	(1,893)	(58.2)%
Operating expenses				
Compensation and employee benefits	(1,937)	(1,821)	116	6.4 %
General and administrative expenses	(1,450)	(1,304)	146	11.2 %
Transaction expenses	(2,567)	—	2,567	100.0 %
Impairment loss on real estate	(288)	—	288	100.0 %
Gain on sale of investments in developmental real estate, real estate owned, and property and equipment, net	475	131	344	262.6 %
Other expenses	(95)	(694)	(599)	(86.3)%
Total operating expenses	(5,862)	(3,688)	2,174	58.9 %
Net (loss) income	(5,377)	1,887	(7,264)	(384.9)%
Preferred stock dividends	(1,120)	(1,118)	2	0.2 %
Net (loss) income attributable to common shareholders	\$ (6,497)	\$ 769	\$ (7,266)	NM
Basic and diluted (loss) income per common share	\$ (0.14)	\$ 0.02		
Basic and diluted weighted average number of common shares outstanding	47,281,931	46,875,187		

NM - not meaningful

Net (loss) income and net (loss) income attributable to common shareholders are the primary metrics by which we assess our business performance. Accordingly, we closely monitor the following primary drivers of these metrics:

Net interest income

Net interest income represents the largest component of net income and is evaluated on both an absolute basis and relative to our provision for credit losses and operating expenses. Net interest income is generated when the yield earned on our loan portfolio exceeds the cost of financing those assets, which we primarily achieve through short- and long-term financing arrangements. Accordingly, we actively monitor financing market conditions and maintain ongoing dialogue with investors and financial institutions as we evaluate funding sources and cost of capital.

In evaluating net interest income, management monitors: (1) portfolio loan yields, (2) funding costs, (3) net interest spread, and (4) net interest margin. Net interest spread reflects the difference between the yield earned on our loans and the interest rates paid on our funding sources. Net interest margin represents net interest income, calculated as annualized interest income less annualized interest expense, expressed as a percentage of average loans outstanding for the applicable period.

Average loans outstanding are calculated using the arithmetic average of the unpaid principal balance of loans held for investment as of the beginning and the end the quarter.

Changes in net interest income are primarily driven by origination activity, changes in average outstanding loan balances (total, performing and nonperforming), and fluctuations in interest rates affecting asset yields and funding costs. Historically, portfolio growth driven by loan originations has been the primary contributor to increases in net interest income. Net interest income is evaluated both before and after interest expense associated with corporate debt and before and after provisions for credit losses.

Interest income from loans - decreased from the corresponding period in the prior year, as further analyzed below.

- Average loans held for investment were \$346.7 million and \$376.3 million for the three months ended June 30, 2026 and 2025, respectively. The effective yield on total loans held for investment was 8.4% and 8.0%, respectively.

Results are impacted by nonperforming loans and real estate owned, which do not contribute interest income.

- Average total performing loans held for investment were \$254.3 million and 262.7 million for the three months ended June 30, 2026 and 2025, respectively. The effective yield on performing loans was 11.4% and 11.4%, respectively.

The difference between total portfolio yield and performing loan yield reflects the impact of nonaccrual loans, which do not generate current interest income.

- Average nonperforming loans held for investment were \$92.4 million and \$113.6 million for the three months ended June 30, 2026 and 2025, respectively.

Interest income from limited liability company investments - Interest income generated from our investments in the Shem Creek funds and direct loan co-investment funds decreased from the corresponding period in the prior year. The decrease was primarily attributable to lower average capital deployed within certain direct loan co-investment funds during 2026. As underlying mortgage loans repaid, capital was returned to us and not redeployed at prior levels within those structures. In certain vehicles, our ownership percentage also declined during the period, further reducing its effective exposure.

The decrease in interest income was driven by lower average invested balances rather than changes in underlying loan yields or credit performance. The Shem Creek portfolios continue to consist primarily of short-duration, first mortgage loans, and there were no material changes in the contractual economics of those investments during the period.

We evaluate these minority investments as part of its broader capital allocation framework. Given the short-term nature of the underlying assets and the return of capital upon loan repayment, investment balances may fluctuate period to

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period depending on repayment activity and redeployment decisions. Capital returned from these funds may be redeployed into other investment opportunities or retained to support liquidity and balance sheet objectives.

See Note 19 — Limited Liability Company ("LLC") Investments — to our unaudited condensed consolidated financial statements for the three and six months ended June 30, 2026.

Interest expense and amortization of deferred financing costs - increased from the corresponding period in the prior year, primarily attributable to similar average borrowings but at higher average interest rates.

During 2025, as a result of maturing unsecured notes payable, we began repositioning our capital structure through the issuance of \$100.0 million (\$100.0 million and \$90.0 million drawn as of June 30, 2026 and December 31, 2025, respectively) of Senior Secured Notes due 2030. The secured notes replaced a portion of lower rate unsecured notes and reduced reliance on repurchase agreements and lines of credit.

We continue to evaluate refinancing strategies for upcoming maturities late 2026 and into 2027, with a focus on extending duration and optimizing cost of capital. Access to diversified funding sources remains a strategic priority as we balance liquidity, leverage, and shareholder returns.

Net Interest Margin

Net interest margin in the second quarter of 2026 was 1.9% compared to 2.3% in the second quarter of 2025. The decrease in net interest margin reflects both structural and cyclical factors. Structurally, refinancing activity during 2025 increased the weighted average cost of capital. Cyclically, lower average earning assets reduced interest-earning balances.

While asset yields remained strong on performing loans, 11.4% in second quarter 2026 as compared to 11.4% in the second quarter 2025, overall margin stabilization depends on continued resolution of nonperforming loans, normalization of earning asset levels, and disciplined origination activity at spreads consistent with current funding costs.

Net interest (loss) income after provision for credit losses, and changes in valuation allowance

Credit risk management is central to our operating model. We seek to minimize credit losses through disciplined underwriting, active life-of-loan portfolio management, and targeted special servicing. We closely monitor portfolio credit performance, including delinquency trends and expected and realized credit losses, as a key indicator of overall operating results.

Provision for credit losses related to loans held for investment - increased from the corresponding period in the prior year primarily due to declines in collateral valuations for loans previously reserved and new nonperforming loans. The current quarter provision was concentrated in three specific loans, which accounted for approximately \$2.7 million of loan-specific provision activity. This included approximately \$0.7 million associated with charge-offs of related receivable balances in connection with the foreclosure process and transfer of the collateral securing one of the loans to real estate owned. The loan-specific activity was partially offset by an approximately \$0.1 million net decrease in the collective reserve for the remaining portfolio and other loan-specific reserves.

We continue to apply a conservative collateral-dependent methodology for loans in foreclosure and pending foreclosure status. We evaluate the allowance quarterly based on updated appraisals, liquidation cost assumptions and macroeconomic forecasts under the CECL framework.

Total other income

Total other income decreased from the corresponding period in the prior year.

Fee income on loans - declined from the corresponding period in the prior year primarily due to lower new loan origination volume. Origination and modification fees are recognized over the contractual life of the loan, and the decrease reflects the smaller average portfolio growth and reduced refinancing activity relative to the prior year.

Income from limited liability company investments - no material change from the corresponding period in the prior year. See Note 19 — Limited Liability Company ("LLC") Investments — to our unaudited condensed consolidated financial statements.

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Other investment income - Other investment income varies based on the timing of realizations and performance of non-core investment holdings.

Gain on equity securities - The balance includes net mark-to-market gains on equity securities held within the investment portfolio. These gains reflect changes in fair value and are inherently subject to market volatility.

Other income - Other income consists primarily of ancillary revenue streams, including property-related income and miscellaneous recoveries. The decrease from the corresponding period in the prior year reflects rent recognized on the Westport, CT investments in developmental real estate during 2025 which were disposed of in December 2025.

Total operating expenses

Our operating expenses primarily include compensation and benefits for our employees, general and administrative expense including occupancy costs, professional fees for legal, consulting, and advisory services, costs related to investments in developmental real estate, foreclosure pursuits and the resolution and disposition of real estate owned. We monitor operating expenses in relation to profitability and the scale of our loan portfolio. Because origination volume and portfolio size influence the level and impact of operating expenses, we also closely monitor loan origination activity and key loan characteristics, including interest rates, loan-to-value ratios, estimated credit losses, and expected loan duration.

We continue to align operating expense levels with portfolio scale while preserving asset management intensity. As origination activity and earning asset levels increase, we expect to benefit from operating leverage as fixed overhead costs are absorbed over a larger asset base.

Total operating expenses increased from the corresponding period in the prior year as further discussed below.

Compensation and employee benefits - increased modestly from the corresponding period in the prior year, reflecting strategic additions to personnel during 2025 and performance-based compensation adjustments including stock-based compensation.

General and administrative expenses - increased modestly from the corresponding period in the prior year due to additional costs associated with our investments in developmental real estate, real estate owned, and increased director fees.

Transaction expenses - expenses in the current year are associated with an announced contribution transaction as described earlier in the Recent Developments section. Additional material costs are expected to be incurred until that transaction closes.

Impairment loss on real estate owned - increased from the corresponding period in the prior year and relates to specific property-level valuation adjustments following updated market data and liquidation timelines.

Gain on sale of investments in developmental real estate, real estate owned and property and equipment, net - increased from the corresponding period in the prior year. Each period reflects gains realized on the disposition of select real estate assets and developmental projects during the period.

Other expenses - decreased from the corresponding period in the prior year and primarily reflect operating costs associated with real estate owned, income taxes, legal matters, public company expenses, and portfolio servicing.

Net (loss) income and net (loss) income attributable to common shareholders

Net (loss) income and net (loss) income attributable to common shareholders - Operating results for the second quarter of 2026 were negatively impacted by a decrease in net interest margin, the \$2.6 million provision for credit losses described above, which was concentrated in three specific loans, and \$2.6 million of transaction expenses associated with the pending contribution transaction..

Book value per common share

The following table presents the calculation of our book value per common share (in thousands, except share and per share data):

	June 30, 2026	March 31, 2026
Total shareholders' equity	\$ 158,792	\$ 165,609
Series A Preferred Stock (\$25 liquidation preference per share)	(57,819)	(57,819)
Total shareholders' equity, net of preferred stock	\$ 100,973	\$ 107,790
Number of common shares outstanding at period end	47,954,632	47,955,647
Book value per common share	\$ 2.11	\$ 2.25

The decrease in book value per common share is primarily due to cash dividends declared and paid for the three months ended June 30, 2026 on issued and outstanding common shares and shares of Series A Preferred Stock totaling \$1.6 million, or \$0.03 per common share, and net loss for the three months ended June 30, 2026 of \$5.4 million, or \$0.11 per common share.

The three month period's net loss affecting book value per common share was materially driven by (i) the provision for credit losses related to loans held for investment of \$2.6 million, or approximately \$0.05 per common share, which was concentrated in three specific loans as described above, and (ii) transaction expenses associated with the pending contribution transaction of \$2.6 million, or approximately \$0.05 per common share. The aggregate impact of these items was approximately \$5.2 million, or \$0.10 per common share.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

	Six Months June 30,			
	2026	2025	\$ Change	% Change
Interest income from loans	\$ 16,006	\$ 15,370	\$ 636	4.1 %
Interest income from limited liability company investments	1,608	2,801	(1,193)	(42.6)%
Interest expense and amortization of deferred financing costs	(12,387)	(12,233)	154	1.3 %
Net interest income	5,227	5,938	(711)	(12.0)%
Net interest margin	2.9 %	3.2 %		
Provision for credit losses related to loans held for investment	(7,923)	(1,977)	5,946	300.8 %
Change in valuation allowance related to loans held for sale	—	1,047	(1,047)	(100.0)%
Net interest (loss) income after provision for credit losses related to loans held for investment and changes in valuation allowance related to loans held for sale	(2,696)	5,008	(7,704)	(153.8)%
Other income				
Fee income from loans	2,438	3,196	(758)	(23.7)%
Income from limited liability company investments	176	229	(53)	(23.1)%
Other investment income	7	17	(10)	(58.8)%
(Loss) gain on equity securities	(133)	696	(829)	(119.1)%
Other income	277	604	(327)	(54.1)%
Total other income	2,765	4,742	(1,977)	(41.7)%
Operating expenses				
Compensation and employee benefits	(4,075)	(3,592)	483	13.4 %
General and administrative expenses	(3,413)	(2,659)	754	28.4 %
Transaction expenses	(4,175)	—	4,175	100.0 %
Impairment loss on real estate	(191)	—	191	100.0 %
Gain on sale of investments in developmental real estate, real estate owned, and property and equipment, net	671	131	540	412.2 %
Other expenses	(340)	(839)	(499)	(59.5)%
Total operating expenses	(11,523)	(6,959)	4,564	65.6 %
Net (loss) income	(11,454)	2,791	(14,245)	(510.4)%
Preferred stock dividends	(2,240)	(2,235)	5	0.2 %
Net (loss) income attributable to common shareholders	\$ (13,694)	\$ 556	\$ (14,250)	NM
Basic and diluted (loss) income per common share	\$ (0.29)	\$ 0.01		
Basic and diluted weighted average number of common shares outstanding	47,230,349	46,830,215		

NM - not meaningful

Net (loss) income and net (loss) income attributable to common shareholders are the primary metrics by which we assess our business performance. Accordingly, we closely monitor the following primary drivers of these metrics:

Net interest income

Net interest income represents the largest component of net income and is evaluated on both an absolute basis and relative to our provision for credit losses and operating expenses. Net interest income is generated when the yield earned on our loan portfolio exceeds the cost of financing those assets, which we primarily achieve through short- and long-term

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financing arrangements. Accordingly, we actively monitor financing market conditions and maintain ongoing dialogue with investors and financial institutions as we evaluate funding sources and cost of capital.

In evaluating net interest income, management monitors: (1) portfolio loan yields, (2) funding costs, (3) net interest spread, and (4) net interest margin. Net interest spread reflects the difference between the yield earned on our loans and the interest rates paid on our funding sources. Net interest margin represents net interest income, calculated as annualized interest income less annualized interest expense, expressed as a percentage of average loans outstanding for the applicable period.

Average loans outstanding are calculated using the arithmetic average of the unpaid principal balance of loans held for investment as of the end of each of the three most recent fiscal quarters.

Changes in net interest income are primarily driven by origination activity, changes in average outstanding loan balances (total, performing and nonperforming), and fluctuations in interest rates affecting asset yields and funding costs. Historically, portfolio growth driven by loan originations has been the primary contributor to increases in net interest income. Net interest income is evaluated both before and after interest expense associated with corporate debt and before and after provisions for credit losses.

Interest income from loans - increased from the corresponding period in the prior year, as further analyzed below.

- Average loans held for investment were \$356.9 million and \$376.5 million for the six months ended June 30, 2026 and 2025, respectively. The effective yield on total loans held for investment was 9.0% and 8.2%, respectively.

Results are impacted by nonperforming loans and real estate owned, which do not contribute interest income.

- Average total performing loans held for investment were \$256.2 million and \$271.8 million for the six months ended June 30, 2026 and 2025, respectively. The effective yield on performing loans was 12.5% and 11.3%, respectively.

The difference between total portfolio yield and performing loan yield reflects the impact of nonaccrual loans, which do not generate current interest income.

- Average nonperforming loans held for investment were \$100.7 million and \$104.7 million for the six months ended June 30, 2026 and 2025, respectively.

Interest income from limited liability company investments - Interest income generated from our investments in the Shem Creek funds and direct loan co-investment funds decreased from the corresponding period in the prior year. The decrease was primarily attributable to lower average capital deployed within certain direct loan co-investment funds during 2026. As underlying mortgage loans repaid, capital was returned to us and not redeployed at prior levels within those structures. In certain vehicles, our ownership percentage also declined during the period, further reducing its effective exposure.

The decrease in interest income was driven by lower average invested balances rather than changes in underlying loan yields or credit performance. The Shem Creek portfolios continue to consist primarily of short-duration, first mortgage loans, and there were no material changes in the contractual economics of those investments during the period.

We evaluate these minority investments as part of its broader capital allocation framework. Given the short-term nature of the underlying assets and the return of capital upon loan repayment, investment balances may fluctuate period to period depending on repayment activity and redeployment decisions. Capital returned from these vehicles may be redeployed into other investment opportunities or retained to support liquidity and balance sheet objectives.

See Note 19 — Limited Liability Company ("LLC") Investments — to our unaudited condensed consolidated financial statements for the three and six months ended June 30, 2026.

Interest expense and amortization of deferred financing costs - increased from the corresponding period in the prior year, primarily attributable to similar average borrowings but at higher average interest rates.

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During 2025, as a result of maturing unsecured notes payable, we began repositioning our capital structure through the issuance of \$100.0 million (\$100.0 million and \$90.0 million drawn as of June 30, 2026 and December 31, 2025, respectively) of Senior Secured Notes due 2030. The secured notes replaced a portion of lower rate unsecured notes and reduced reliance on repurchase agreements and lines of credit.

We continue to evaluate refinancing strategies for upcoming maturities late 2026 and into 2027, with a focus on extending duration and optimizing cost of capital. Access to diversified funding sources remains a strategic priority as we balance liquidity, leverage, and shareholder returns.

Net Interest Margin

Net interest margin in the six month period of 2026 was 2.9% compared to 3.2% in the six month period of 2025. The decrease in net interest margin reflects both structural and cyclical factors. Structurally, refinancing activity during 2025 increased the weighted average cost of capital. Cyclically, lower average earning assets reduced interest-earning balances.

While asset yields remained strong on performing loans, 12.5% in the six month period of 2026 as compared to 11.3% in the six month period of 2025, overall margin stabilization depends on continued resolution of nonperforming loans, normalization of earning asset levels, and disciplined origination activity at spreads consistent with current funding costs.

Net interest (loss) income after provision for credit losses, and changes in valuation allowance

Credit risk management is central to our operating model. We seek to minimize credit losses through disciplined underwriting, active life-of-loan portfolio management, and targeted special servicing. We closely monitor portfolio credit performance, including delinquency trends and expected and realized credit losses, as a key indicator of overall operating results.

Provision for credit losses related to loans held for investment - increased from the corresponding period in the prior year primarily due to declines in collateral valuations for loans previously reserved, new nonperforming loans, and a credit loss of \$3.9 million related to a specific loan restructuring. This non-cash loss relates to the Naples, Florida loan restructuring where we took control of the three completed condominium units and entitled land for development of four additional condominium units which is treated as a deed in lieu of foreclosure for accounting purposes. The loan restructuring was negotiated by management to recover the full carrying value of the mortgage note receivable on an undiscounted cash flow basis. Due to the length of time between taking over the project and receipt of the final cash flows from sales of the units under construction, we are required to record the assets received on a discounted cash flow basis. As a result, we recorded a \$3.9 million charge in first quarter 2026. We believe the sales of the condominium units provides an opportunity to recover the fair value adjustment over time; however, actual recovery will depend on sales prices, timing, completion costs and market conditions.

In addition to the above non-cash Naples, Florida loan loss, the provision includes three specific loans which accounted for approximately \$2.7 million of loan-specific provision activity during the second quarter. This included approximately \$0.7 million associated with charge-offs of related receivable balances in connection with the foreclosure process and transfer of the collateral securing one of the loans to real estate owned.

We continue to apply a conservative collateral-dependent methodology for loans in foreclosure and pending foreclosure status. We evaluate the allowance quarterly based on updated appraisals, liquidation cost assumptions and macroeconomic forecasts under the CECL framework.

Total other income

Total other income decreased from the corresponding period in the prior year.

Fee income on loans - declined from the corresponding period in the prior year primarily due to lower new loan origination volume. Origination and modification fees are recognized over the contractual life of the loan, and the decrease reflects the smaller average portfolio growth and reduced refinancing activity relative to the prior year.

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Income from limited liability company investments - no material change from the corresponding period in the prior year. See Note 19 — Limited Liability Company ("LLC") Investments — to our unaudited condensed consolidated financial statements.

Other investment income - Other investment income varies based on the timing of realizations and performance of non-core investment holdings.

(Loss) gain on equity securities - The balance includes net mark-to-market gains on equity securities held within the investment portfolio. These losses and gains reflect changes in fair value and are inherently subject to market volatility.

Other income - Other income consists primarily of ancillary revenue streams, including property-related income and miscellaneous recoveries. The decrease from the corresponding period in the prior year reflects rent recognized on the Westport, CT investments in developmental real estate during 2025 which were disposed of in December 2025.

Total operating expenses

Our operating expenses primarily include compensation and benefits for our employees, general and administrative expense including occupancy costs, professional fees for legal, consulting, and advisory services, costs related to investments in developmental real estate, foreclosure pursuits and the resolution and disposition of real estate owned. We monitor operating expenses in relation to profitability and the scale of our loan portfolio. Because origination volume and portfolio size influence the level and impact of operating expenses, we also closely monitor loan origination activity and key loan characteristics, including interest rates, loan-to-value ratios, estimated credit losses, and expected loan duration.

We continue to align operating expense levels with portfolio scale while preserving asset management intensity. As origination activity and earning asset levels increase, we expect to benefit from operating leverage as fixed overhead costs are absorbed over a larger asset base.

Total operating expenses increased from the corresponding period in the prior year as further discussed below.

Compensation and employee benefits - increased from the corresponding period in the prior year, reflecting strategic additions to personnel during 2025 and performance-based compensation adjustments including stock-based compensation.

General and administrative expenses - increased from the corresponding period in the prior year due to additional costs associated with our investments in developmental real estate, real estate owned, increased external audit fees and increased director fees.

Transaction expenses - expenses in the current year are associated with a contribution transaction as described earlier in the Recent Developments section. Additional material costs are expected to be incurred until that transaction closes.

Impairment loss on real estate owned - increased from the corresponding period in the prior year and relates to specific property-level valuation adjustments following updated market data and liquidation timelines.

Gain on sale of investments in developmental real estate, real estate owned and property and equipment, net - increased from the corresponding period in the prior year. Each period reflects gains realized on the disposition of select real estate assets and developmental projects during the period.

Other expenses - decreased from the corresponding period in the prior year and primarily reflect operating costs associated with real estate owned, income taxes, legal matters, public company expenses, and portfolio servicing.

Net (loss) income and net (loss) income attributable to common shareholders

Net (loss) income and net (loss) income attributable to common shareholders - Operating results for the six month period of 2026 were negatively impacted by a decrease in net interest margin, the \$6.6 million specific provisions for credit losses described above, which was concentrated in four specific loans, and \$4.2 million of transaction expenses associated with the pending contribution transaction..

Book value per common share

The following table presents the calculation of our book value per common share (in thousands, except share and per share data):

	June 30, 2026	December 31, 2025
Total shareholders' equity	\$ 158,792	\$ 174,937
Series A Preferred Stock (\$25 liquidation preference per share)	(57,819)	(57,819)
Total shareholders' equity, net of preferred stock	\$ 100,973	\$ 117,118
Number of common shares outstanding at period end	47,954,632	47,684,955
Book value per common share	\$ 2.11	\$ 2.46

The decrease in book value per common share is primarily due to cash dividends declared and paid for the six months ended June 30, 2026 on issued and outstanding common shares and shares of Series A Preferred Stock totaling \$5.1 million, or \$0.11 per common share, and net loss for the six months ended June 30, 2026 of \$11.5 million, or \$0.24 per common share.

This six month period's net loss impacting the book value per common share was materially driven by i) the non-cash discounted cash flow fair value adjustment on loan restructuring recorded in provision for credit losses related to loans held for investment of \$3.9 million, or \$0.08 per common share, ii) contribution transactional expenses of \$4.2 million or \$0.09 per common share and iii) the second-quarter provision for credit losses related to loans held for investment of \$2.6 million, or approximately \$0.05 per common share, which was concentrated in three specific loans as described earlier. The aggregate impact of these events is \$10.7 million, or \$0.22 per common share of book value decline from year end.

Liquidity and Capital Resources

Total assets at June 30, 2026 were \$472.9 million compared to \$460.0 million at December 31, 2025, an increase of \$12.9 million, or 2.8%. The increase was due primarily to increases in cash of \$17.9 million, real estate owned, net of \$4.6 million, investments in developmental real estate of \$35.8 million and other assets of \$3.8 million offset by decreases in loans held for investment, net of \$41.4 million, due from borrowers, net of \$2.6 million and investments in limited liability companies of \$4.9 million. The increase in investments in developmental real estate and decrease in loans held for investment, net is primarily driven by the Naples, Florida loan restructuring in the first quarter of 2026.

Total liabilities at June 30, 2026 were \$314.1 million compared to \$285.1 million at December 31, 2025, an increase of \$29.0 million, or 10.2%. This increase is primarily due to increases in senior secured notes payable of \$10.3 million, lines of credit of \$17.5 million and accounts payable and accrued liabilities of \$1.4 million offset by a decrease in advances from borrowers of \$0.9 million.

As of June 30, 2026, the Company's capital structure consisted of a mix of unsecured listed notes, senior secured notes, and revolving credit facilities. The increase in secured financing during 2025 reflects management's strategy to diversify funding sources. While secured borrowings increased asset encumbrance, they also provide longer-term capital stability and improved liquidity flexibility. We monitor asset coverage ratios, covenant compliance and refinancing risk associated with upcoming maturities.

Total shareholders' equity at June 30, 2026 was \$158.8 million compared to \$174.9 million at December 31, 2025, a decrease of \$16.1 million, or 9.2%. This decrease was due primarily to an aggregate of \$5.1 million of dividends paid to holders of Series A Preferred Stock and common shares during the period and a net loss of \$11.4 million for the period (inclusive of \$4.2 million of transaction expenses) offset by a \$0.4 million increase in additional paid-in capital related to stock-based compensation.

Historically, we have distributed a substantial portion of our earnings to shareholders in order to maintain our REIT qualification. Dividend levels are determined by the Board of Directors based on taxable income, capital needs, liquidity, market conditions and regulatory requirements. Accordingly, dividend levels may fluctuate from period to period depending on operating performance, credit trends, asset repositioning activity and capital market access.

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Sources and Uses of Funds

Our primary sources of cash include principal and interest payments on mortgage loans and various fees associated with such loans, proceeds from the sales of real property, net proceeds from offerings of equity securities and borrowings from our credit facilities. Our primary uses of cash include debt service payments (both principal and interest), new originations of loans held for investment, new investments in real estate, dividend distributions to our shareholders, and operating expenses.

These sources and uses of cash are reflected in our unaudited Condensed Consolidated Statements of Cash Flows as summarized below:

Amount	Six Months Ended		Change	
	2026	2025	Amount	Percentage
	(in thousands)		(in thousands)	
Cash and cash equivalents, January 1	\$ 10,924	\$ 18,066	\$ (7,142)	(39.5)%
Net cash (used in) provided by operating activities	(2,753)	692	(3,445)	(497.8)%
Net cash used in investing activities	(1,540)	(2,658)	1,118	(42.1)%
Net cash provided by financing activities	22,188	6,374	15,814	248.1 %
Cash and cash equivalents, June 30	\$ 28,819	\$ 22,474	\$ 6,345	28.2 %

We project anticipated cash requirements for our operating needs as well as cash flows generated from operating activities available to meet these needs. Our short-term cash requirements primarily include funding of loans, transaction expenses, dividend payments, interest and principal payments on our indebtedness, including repayment/refinancing of the Notes maturing in December 2026, March 2027, and June 2027, and payments for usual and customary operating and administrative expenses. Based on this analysis, we believe that our current cash balances, availability on our debt facilities, and our anticipated cash flows from operations will be sufficient to fund the operations for the next 12 months.

Our long-term cash needs will include principal and interest payments on outstanding indebtedness including notes payable in the principal amount of \$173.2 million maturing late in 2026 and in 2027, preferred stock dividends and funding of new mortgage loans. Specific to the maturities in 2026 and 2027, we believe that we will address these maturities through a combination of operating cash flow, credit facility capacity, secured financing alternatives and potential capital markets transactions, subject to market conditions. There can be no assurance that refinancing will occur on terms similar to existing obligations. We continue to proactively evaluate capital market access and balance sheet positioning in advance of these maturities. In general, funding for long-term cash needs will come from unused net proceeds from financing activities, operating cash flows, refinancing existing debt, and proceeds from sales of investment in developmental real estate and real estate owned.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet transactions, arrangements or other relationships with unconsolidated entities or other persons that are likely to affect liquidity or the availability of our requirements for capital resources.

Contractual Obligations

As of June 30, 2026, our contractual obligations include unfunded amounts of any outstanding construction loans and unfunded commitments for loans and limited liability company investments.

	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
(In thousands)					
Unfunded portions of outstanding construction loans	\$ 41,393	\$ 27,238	\$ 14,155	\$ —	\$ —
Unfunded commitments to investments in LLCs	651	651	—	—	—
Total contractual obligations	\$ 42,044	\$ 27,889	\$ 14,155	\$ —	\$ —

Recent Accounting Pronouncements

See Note 2 — Significant Accounting Policies — to our unaudited condensed consolidated financial statements for explanation of recent accounting pronouncements impacting us.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 4. CONTROLS AND PROCEDURES

(a) Evaluation and Disclosure Controls and Procedures

As of June 30, 2026, under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, and as a result of the material weakness in internal control over financial reporting described below, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were not effective as of June 30, 2026.

Material Weakness in Internal Control Over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management identified a material weakness in the design and operation of controls over the accounting and disclosure for complex, nonroutine transactions involving noncash loan workouts, asset acquisitions and related fair value measurements. Specifically, our controls were not designed and operating effectively to ensure sufficient contemporaneous fair value analysis and documentation of alternative accounting conclusions before management reached definitive accounting and disclosure conclusions for such transactions.

This material weakness related to the accounting and disclosure evaluation of the Company's February 2026 Naples, Florida assets transaction. As a result of the final accounting analysis, the Company recorded a fair value adjustment loss included in provision for credit losses related to loans held for investment in the quarter ended March 31, 2026. The adjustment was recorded before issuance of the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Remediation Plan

Management is implementing remediation measures designed to address the material weakness, including: (i) a complex transaction trigger checklist for material noncash transactions, loan workouts, asset acquisitions, foreclosures and deeds-in-lieu, loan modifications with equity transfers and control changes; and (ii) enhanced review of definitive accounting impact language in SEC filings when accounting conclusions remain preliminary or subject to auditor resolution. These efforts are ongoing as of June 30, 2026.

(b) Changes in Internal Control Over Financial Reporting

Other than the remediation activities described above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15(d) that occurred during the fiscal quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth under “Litigation” in Note 14—Commitments and Contingencies to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth under “Risk Factors” in Part I, Item 1A of our Annual Report, filed with the SEC on March 13, 2026, other than as described below.

The consummation of the Transaction is subject to a number of conditions which, if not satisfied or waived, would adversely impact our ability to complete the Transaction.

The Transaction is subject to certain closing conditions, including, among others: (1) the receipt by us of the affirmative vote of the holders of a majority of the outstanding Common Shares approving the Transaction (the “Sachem Shareholder Approval”); (2) the absence of any injunction or other order prohibiting consummation of the Transaction; (3) the accuracy of the representations and warranties of each party, subject to customary material adverse effect and materiality qualifications; (4) the performance in all material respects by each party of its covenants and obligations under the Contribution Agreement; (5) the absence of “Material Adverse Effect” (as defined in the Contribution Agreement) on either party; (6) the receipt by each party of a tax opinion from nationally recognized REIT counsel; (7) the consummation of the Pre-Closing Reorganization (as defined in the Contribution Agreement); (8) the delivery by each party of the Determination Date Certificates (as defined in the Contribution Agreement); (9) the delivery by each party of officer’s certificates regarding accuracy of representations and warranties; (10) the execution and delivery of specified transaction documents; and (11) other customary conditions specified in the Contribution Agreement. There can be no assurance these conditions will be satisfied or waived, if permitted.

In addition, although there is no financing condition to the closing of the Transaction, it is anticipated that we will enter into a new credit facility or other debt financing in connection with the Transaction. No assurance can be given that any new credit facility or other debt financing will be available in the amounts, at the costs or on the terms contemplated, or at all, and the inability to obtain such financing could materially and adversely affect our ability to close the Transaction.

Therefore, we cannot provide any assurance with respect to the timing of the closing of the Transaction, or that the Transaction will be completed at all.

Failure to complete the Transaction could adversely affect the market price of our Common Shares and our future business and financial results.

We cannot assure you that the conditions to closing of the Transaction will be satisfied or waived or that the Transaction will be completed. If the Transaction is not completed, our ongoing business could be adversely affected and we will be subject to a variety of risks associated with the failure to complete the Transaction, including the following:

- upon termination of the Contribution Agreement under specified circumstances, we may be required to pay IRG Global a termination fee of \$4.0 million;
- we have incurred, and will continue to incur, significant transaction expenses, including legal, accounting, financial advisor, filing, printing and mailing fees, regardless of whether the Transaction closes; and
- the Transaction, whether or not it closes, will divert the attention of certain management and other key employees from our ongoing business activities, including the pursuit of other opportunities that could be beneficial to us.

If the Transaction is not completed, these risks could materially affect our business and financial results and the market price of our Common Shares, including to the extent that the current market price of our Common Shares reflects, and is positively affected by, a market assumption that the Transaction will be completed.

The Contribution Agreement contains provisions that could discourage a potential competing acquirer from making a favorable proposal to us and, in specified circumstances, could require us to make a termination payment to IRG Global.

The Contribution Agreement contains certain provisions that restrict our ability to solicit, initiate, knowingly encourage or knowingly facilitate any proposals for, or that could reasonably lead to, alternative transactions with a third party, or participate in discussions relating to an alternative transaction or a proposal or inquiry related thereto, furnish non-public information to third parties relating to an alternative transaction or a proposal or inquiry therefor, change our board of directors' recommendation to our shareholders or enter into an agreement with respect to any proposal for an alternative transaction, in each case, subject to certain exceptions. In addition, IRG Global generally has an opportunity to offer to modify the terms of the Contribution Agreement in response to any competing acquisition proposal before our board of directors may withdraw or qualify its recommendation with respect to the Transaction.

We will be required to pay IRG Global a termination fee of \$4.0 million if the Contribution Agreement is terminated under certain specified circumstances, including (i) a termination by us, prior to obtaining the Sachem Shareholder Approval, in order to enter into a definitive agreement with respect to a Superior Acquisition Proposal (as defined in the Contribution Agreement), (ii) a termination by IRG Global following a Transferee Parent Adverse Recommendation Change (as defined in the Contribution Agreement) or our approval or entry into an alternative acquisition agreement, or (iii) certain terminations for failure to close by the outside date (which is April 30, 2027), our uncured terminating breach or failure to obtain the Sachem Shareholder Approval, in each case, if a qualifying competing acquisition proposal has been announced, disclosed or otherwise communicated prior to such termination and, within 12 months after the termination, we consummate, or enter into and subsequently consummate, a competing acquisition transaction.

These provisions could discourage a potential competing acquirer or other third party that might have an interest in acquiring all or a significant portion of us or our assets from considering or proposing such a competing transaction, even if such third party were prepared to pay consideration with a higher value than the value implied by the Transaction. These provisions also might result in a potential competing acquirer proposing to pay a lower price to holders of our Common Shares than it might otherwise have proposed to pay because of the added expense of the termination payment that may become payable to IRG Global in certain circumstances under the Contribution Agreement.

If the Contribution Agreement is terminated and after the termination we seek another business combination, we may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Transaction.

The pendency of the Transaction could adversely affect our business and operations.

In connection with the pending Transaction, some borrowers, lenders, noteholders, service providers or other counterparties may react unfavorably or delay or defer decisions concerning their business relationships or transactions with us, which could adversely affect our business, financial condition and results of operations, regardless of whether the Transaction is completed. In addition, due to certain restrictions in the Contribution Agreement on the conduct of our business prior to completing the Transaction, we may be unable (without IRG Global's prior written consent), during the pendency of the Transaction, to pursue strategic transactions, undertake certain significant financing transactions, originate new loans above specified thresholds, enter into or modify certain material contracts and otherwise pursue other restricted actions, even if such actions would prove beneficial, and such restrictions may cause us to forego certain opportunities we might otherwise pursue absent the Contribution Agreement. In addition, the pendency of the Transaction may make it more difficult for us to effectively retain and incentivize key personnel and may cause distractions from our strategy and day-to-day operations for our current employees and management.

We and IRG Global are the target of certain legal proceedings, which could result in substantial costs and may delay or prevent the Transaction from being completed.

Securities class action lawsuits, derivative lawsuits and other legal proceedings are often brought against companies that have entered into significant transaction agreements. On July 27, 2026, a group of seventeen plaintiffs filed a complaint in the Superior Court of the State of California in the County of Los Angeles, Case No. 26STCV23391, against us, IRG Master Holdings, IRG Holdings Manager, LLC ("IRGHM"), IRG Global and Stuart Lichter (together with IRG Master Holdings, IRGHM and IRG Global, the "IRG Defendants"). The plaintiffs purport to be investors who hold interests in IRG Master Holdings. The complaint alleges, among other things, that the plaintiffs are pursuing certain claims against the IRG Defendants in an underlying arbitration (the "Arbitration"). We are not a party to the underlying Arbitration. The Complaint asserts a single cause of action for injunctive relief in aid of arbitration, pursuant to California Code of Civil Procedure sections 1281.8 and 525, et seq., seeking to enjoin the closing of the previously announced Transaction and certain related transactions, until the conclusion of the Arbitration. We intend to vigorously defend ourself

against the claims made in the complaint. Additional lawsuits or other proceedings may be brought against us and/or IRG Global challenging, among other things, the adequacy of the disclosures in the proxy statement or other disclosures we make in connection with the Transaction, the process conducted by our respective boards of directors, the terms of the Contribution Agreement, alleged breaches of fiduciary duties by our respective directors and/or officers, or the fairness of the consideration in connection with the Transaction. Even if such lawsuits or other legal or regulatory proceedings are without merit, defending against these claims can result in substantial costs and divert management time and resources from us and/or IRG Global. An adverse judgment in any such lawsuits or proceedings could result in monetary damages payable by us and/or IRG Global, which could have a negative impact on our and/or IRG Global's liquidity, results of operations and financial condition. In addition, the pendency of such litigation could create uncertainty and negatively affect our relationships with borrowers, lenders, noteholders, service providers and other counterparties, and could impair our ability to recruit and retain employees.

Additionally, if a plaintiff is successful in obtaining an injunction prohibiting completion of the Transaction, then that injunction may delay or prevent the Transaction from being completed, which may exacerbate the other risks described herein and adversely affect our business, results of operations and financial condition. Any such delay could also result in the Transaction not being consummated before the outside date (which is April 30, 2027), which could give rise to termination rights under the Contribution Agreement. Even if we are ultimately successful in defending against such claims, the costs and distraction of litigation during the pendency of the Transaction could materially and adversely affect our business, results of operations and financial condition, as well as the price of our Common Shares.

Our existing shareholders will experience substantial dilution, and IRG Global will have significant influence over us, as a result of the Transaction.

If the Transaction is completed, our existing shareholders will experience substantial dilution of their economic ownership and voting power. Immediately following the closing of the Transaction, IRG Global is expected to hold approximately 94.1% of the outstanding OP Units of the Operating Partnership, with our existing common shareholders retaining ownership of approximately 5.9% on a fully diluted basis. IRG Global also will receive Class B Shares in the Transaction, which will have no economic rights, but are expected initially to represent, in the aggregate, 51% of the total voting power of all outstanding common shares entitled to vote generally in the election of directors for so long as IRG Global's aggregate economic interest in the Operating Partnership equals or exceeds 51% of the outstanding OP Units. In addition, the partnership agreement of the Operating Partnership will provide IRG Global, for so long as it owns more than 35% of the outstanding OP Units, with consent rights over specified material actions of the Operating Partnership and its subsidiaries, including, but not limited to, equity issuances to third parties, debt incurrence, distributions, property acquisitions and dispositions, material contracts, leases and capital expenditures above certain thresholds, and hiring or terminating property managers or key executives.

As a result, following the closing of the Transaction, our existing shareholders will have significantly less influence over the management, policies and operations of the combined company than they currently have with respect to Sachem. The interests of IRG Global may differ from the interests of our existing shareholders, and IRG Global's ownership and governance rights may make it more difficult for existing shareholders to influence significant corporate decisions. These effects may adversely affect the market price of our securities and may discourage a third party from seeking to acquire us or otherwise engage in a strategic transaction with us following the closing of the Transaction.

The Transaction represents a strategic transformation of our business, and we may not be able to successfully operate the combined company or realize the anticipated benefits of the Transaction.

Historically, we have operated as a real estate finance company that specializes in originating, underwriting, funding, servicing and managing a portfolio of short-term loans secured by first mortgage liens on real property. If completed, the Transaction will result in a significant transformation of our business, asset base, operations and investment strategy, as an industrial property REIT with a real estate capital solutions platform.

The management and operation of an industrial property REIT require different expertise and experience, and involve different risks, than those associated with our historical real estate finance business, including risks relating to property ownership and operation, leasing, tenant credit, occupancy levels, capital expenditures, environmental matters, property-level expenses, financing, asset management and competition in the industrial real estate sector. Although we expect to benefit from property management and other agreements with affiliates of IRG Global, we may not have sufficient experience, personnel, systems, controls or resources to manage these risks effectively following the closing of the Transaction. We also may not be able to successfully implement the combined company's business strategy, realize the expected benefits of the Transaction, manage the contributed portfolio, integrate the contributed business with our existing operations or operate the combined company in a manner that produces the results we expect. If we are unable to manage this strategic transformation successfully, our business, financial condition, results of operations, cash flows, ability to pay dividends and the market price of our securities could be materially and adversely affected.

We have identified a material weakness in our internal control over financial reporting. If we fail to properly remediate this material weakness or if we are otherwise unable to maintain an effective system of internal control over financial reporting, material misstatements in our financial statements could occur and we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us, our business, results of operations and financial condition, the trading price of our common shares, and our ability to remain listed on the NYSE American.

We identified a material weakness in our internal control over financial reporting related to the design and operation of controls over the accounting and disclosure for complex, nonroutine transactions involving noncash loan workouts, asset acquisitions and related fair value measurements, and specifically, not sufficiently performing and documenting the reasonableness of significant assumptions used therein. See Part I, Item 4 “Controls and Procedures” of this quarterly report for additional information about this material weakness and our remediation efforts.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis.

Effective internal controls are necessary to provide reliable financial reporting and prevent fraud. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common shares could be adversely affected and we could become subject to litigation or regulatory investigations. We continue to evaluate and implement steps to remediate the material weakness. These remediation measures may be time-consuming and costly and there is no assurance that these initiatives will ultimately have the intended effects. The material weakness in our internal control over financial reporting will not be considered remediated until the management review control operates for a sufficient period of time and management concludes, through testing, that the control operates effectively. If we do not successfully remediate the material weakness, or if other material weaknesses or other deficiencies arise in the future, we may be unable to accurately report our financial results, which could cause our financial results to be materially misstated. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports, which could adversely affect investor confidence in us, our business, results of operations and financial condition, the trading price of our common shares, and our ability to remain listed on the NYSE American.

Item 6. EXHIBITS

Exhibit No.	Description
2.1	Form of Amended and Restated Exchange Agreement (1)
2.2	Contribution Agreement, dated as of May 17, 2026 by and between Industrial Realty Group Global, LLC and Sachem Capital Corp (26)
3.1	Certificate of Incorporation (1)
3.1(a)	Certificate of Amendment to Certificate of Incorporation (1)
3.1(b)	Certificate of Amendment to Certificate of Incorporation filed on October 7, 2019 (2)
3.1(c)	Certificate of Amendment to Certificate of Incorporation filed on June 25, 2021 (7)
3.1(d)	Certificate of Amendment to Certificate of Incorporation filed on July 19, 2022 (17)
3.1(e)	Certificate of Amendment to Certificate of Incorporation filed on August 23, 2022 (11)
3.1(f)	Certificate of Amendment to Certificate of Incorporation filed on November 13, 2025 (6)
3.2	Amended and Restated Bylaws, effective as of March 25, 2025 (19)
4.1	Indenture, dated as of June 21, 2019, between Sachem Capital Corp. and U.S. Bank National Association, as Trustee (3)
4.2	Specimen 7.75% Series A Cumulative Redeemable Preferred Stock Certificate. (7)

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4.3	<u>Fourth Supplemental Indenture between Sachem Capital Corp. and U.S. Bank National Association, as Trustee (4)</u>
4.4	<u>Form of 6.00% Note due 2026 (attached as Exhibit A to Exhibit 4.3 above).</u>
4.5	<u>Fifth Supplemental Indenture between Sachem Capital Corp. and U.S. Bank Trust Company, National Association, as Trustee (8)</u>
4.6	<u>Form of 6.00% Note due 2027 (attached as Exhibit A to Exhibit 4.5 above).</u>
4.7	<u>Sixth Supplemental Indenture between Sachem Capital Corp. and U.S. Bank Trust Company, National Association, as Trustee (20)</u>
4.8	<u>Form of 7.125% Note due 2027 (attached as Exhibit A to Exhibit 4.7 above).</u>
4.9	<u>Seventh Supplemental Indenture between Sachem Capital Corp. and U.S. Bank Trust Company, National Association, as Trustee (10)</u>
4.10	<u>Form of 8.00% Note due 2027 (attached as Exhibit A to Exhibit 4.9 above).</u>
4.11	<u>Revolving Credit Note, dated March 20, 2025, in the principal amount of \$50 million in favor of Needham Bank, as lender (18)</u>
4.12	<u>Note Purchase and Guaranty Agreement, dated June 11, 2025 (21)</u>
10.1**	<u>Employment Agreement by and between John L. Villano and Sachem Capital Corp. (1)</u>
10.1(a)**	<u>Amendment to Employment Agreement by and between John L. Villano and Sachem Capital Corp. (5)</u>
10.2	<u>Sachem Capital Corp. 2016 Equity Compensation Plan (1)</u>
10.3	<u>Credit and Security Agreement, dated as of March 20, 2025, among SN Holdings, as the borrower, Sachem Capital Corp., as the guarantor, the lenders party thereto and Needham Bank, as administrative agent (18)</u>
10.3(a)	<u>Amendment No.1 to the Credit and Security Agreement, dated as of June 9, 2025, among SN Holdings, as the borrower, Sachem Capital Corp., as the guarantor, the lenders party thereto and Needham Bank, as administrative agent (23)</u>
10.3(b)	<u>Amendment No.2 to the Credit and Security Agreement, dated as of January 21, 2026, among SN Holdings, as the borrower, Sachem Capital Corp., as the guarantor, the lenders party thereto and Needham Bank, as administrative agent (9)</u>
10.4**	<u>Final Form of the Restrictive Stock Grant Agreement dated February 17, 2023 under the Sachem Capital Corp. 2016 Equity Compensation Plan between the Company and John L. Villano (13)</u>
10.5**	<u>Final Form of the Restricted Stock Grant Agreement dated March 19, 2024 under the Sachem Capital Corp. 2016 Equity Compensation Plan between the Company and John L. Villano (14)</u>
10.6	<u>Cooperation Agreement, dated August 20, 2024, between Sachem Capital Corp. and Blackwells Capital LLC, Blackwells Onshore I LLC and Jason Aintabi (15)</u>
10.7**	<u>Final Form of the Restrictive Stock Grant Agreement dated September 7, 2023 under the Sachem Capital Corp. 2016 Equity Compensation Plan between Sachem Capital Corp. and each of Leslie Bernhard, Arthur Goldberg and Brian Prinz (16)</u>
10.8**	<u>Final Form of the Restrictive Stock Grant Agreement dated March 10, 2025 under the Sachem Capital Corp. 2016 Equity Compensation Plan between Sachem Capital Corp. and each of Arthur Goldberg, Brian Prinz and Jeffery Walraven (19)</u>
10.9	<u>Sachem Capital Corp. 2025 Omnibus Incentive Plan (22)</u>
10.10	<u>Restricted Stock Award Agreement, dated August 11, 2025, under the Sachem Capital Corp. 2025 Omnibus Incentive Plan between Sachem Capital Corp. and John L. Villano (a portion of the exhibit has been excluded from the exhibit because it both (i) is not material and (ii) is the type that the company treats as private or confidential) (25)</u>
10.11**	<u>Employment Agreement by and between Jeffery C. Walraven and Sachem Capital Corp. effective as of September 1, 2025 (24)</u>
10.12**	<u>Restricted Stock Award Agreement, dated September 3, 2025, under the Sachem Capital Corp. 2025 Omnibus Incentive Plan between Sachem Capital Corp. and Jeffery C. Walraven (a portion of the exhibit has been excluded from the exhibit because it both (i) is not material and (ii) is the type that the company treats as private or confidential) (24)</u>
31.1	<u>Chief Executive Officer Certification as required under section 302 of the Sarbanes Oxley Act *</u>

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31.2	<u>Chief Financial Officer Certification as required under section 302 of the Sarbanes Oxley Act *</u>
32.1	<u>Chief Executive Officer Certification pursuant to 18 U.S.C. section 1350 as adopted pursuant to section 906 of the Sarbanes Oxley Act ***</u>
32.2	<u>Chief Financial Officer Certification pursuant to 18 U.S.C. section 1350 as adopted pursuant to section 906 of the Sarbanes Oxley Act ***</u>
97.1	<u>Policy Relating to Recovery of Erroneously Awarded Compensation (14)</u>
99.1	<u>Open-End Construction Mortgage, Security Agreement and Assignment of Leases and Rents, dated February 28, 2023, by Sachem Capital Corp., in connection with the New Haven Bank Mortgage refinancing (12)</u>
99.2	<u>Commercial Term Note made by Sachem Capital Corp to New Haven Bank, dated February 28, 2023, in the principal amount of \$1,660,000 (attached as Exhibit B to Exhibit 99.1 above)</u>
99.3	<u>Loan Agreement between Sachem Capital Corp. and New Haven Bank, dated as of February 28, 2023 (12)</u>
99.4	<u>Mortgage Release releasing Sachem Capital Corp. from the \$1.4 million NHB Mortgage (12)</u>
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document *
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document *
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

* Filed herewith.

** Compensation plan or arrangement for current or former executive officers and directors.

*** Furnished, not filed, in accordance with item 601(32)(ii) of Regulation S-K.

- (1) Previously filed as an exhibit to the Registration Statement on Form S-11, as amended (SEC File No.: 333-214323) and incorporated herein by reference.
- (2) Previously filed as an exhibit to the Quarterly Report on Form 10-Q for the period ended September 30, 2019 and incorporated herein by reference.
- (3) Previously filed as an exhibit to the Current Report on Form 8-K on June 25, 2019 and incorporated herein by reference.
- (4) Previously filed as an exhibit to the Current Report on Form 8-K on December 20, 2021 and incorporated herein by reference.
- (5) Previously filed as an exhibit to the Current Report on Form 8-K on April 14, 2021 and incorporated herein by reference.
- (6) Previously filed as an exhibit to the Current Report on Form 8-K on November 18, 2025 and incorporated herein by reference.
- (7) Previously filed as an exhibit to the Current Report on Form 8-K on June 29, 2021 and incorporated herein by reference.
- (8) Previously filed as an exhibit to the Current Report on Form 8-K on March 9, 2022 and incorporated herein by reference.
- (9) Previously filed as an exhibit to the Current Report on Form 8-K on January 22, 2026 and incorporated herein by reference.

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- (10) Previously filed as an exhibit to the Current Report on Form 8-K on August 23, 2022 and incorporated herein by reference.
- (11) Previously filed as an exhibit to the Current Report on Form 8-K on August 24, 2022 and incorporated herein by reference.
- (12) Previously filed as an exhibit to the Current Report on Form 8-K on March 3, 2023 and incorporated herein by reference.
- (13) Previously filed as an exhibit to the Quarterly Report on Form 10-Q for the period ended March 31, 2023 and incorporated herein by reference.
- (14) Previously filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 2023 and incorporated herein by reference.
- (15) Previously filed as an exhibit to the Current Report on Form 8-K on August 26, 2024 and incorporated herein by reference.
- (16) Previously filed as an exhibit to the Quarterly Report on Form 10-Q for the period ended September 30, 2024 and incorporated herein by reference.
- (17) Previously filed as an exhibit to the Current Report on Form 8-K on December 16, 2024 and incorporated herein by reference.
- (18) Previously filed as an exhibit to the Current Report on Form 8-K on March 27, 2025 and incorporated herein by reference.
- (19) Previously filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 2024 and incorporated herein by reference.
- (20) Previously filed as an exhibit to the Current Report on Form 8-K on May 12, 2022 and incorporated herein by reference.
- (21) Previously filed as an exhibit to the Current Report on Form 8-K on June 16, 2025 and incorporated herein by reference.
- (22) Previously filed as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A on April 30, 2025 and incorporated herein by reference.
- (23) Previously filed as an exhibit to the Quarterly Report on Form 10-Q for the period ended June 30, 2025 and incorporated herein by reference.
- (24) Previously filed as an exhibit to the Current Report on Form 8-K on September 5, 2025 and incorporated herein by reference.
- (25) Previously filed as an exhibit to the Quarterly Report on Form 10-Q for the period ended September 30, 2025 and incorporated herein by reference.
- (26) Previously filed as an exhibit to the Current Report on Form 8-K on May 18, 2026 and incorporated herein by reference.

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 thereunto duly authorized.

Date: August 5, 2026

SACHEM CAPITAL CORP.

By: /s/ John L. Villano

John L. Villano, CPA

President and Chief Executive Officer
(Principal Executive Officer)

Date: August 5, 2026

By: /s/ Jeffery C. Walraven

Jeffery C. Walraven

Chief Financial Officer
(Principal Accounting and Financial Officer)