NEWS RELEASE

Sachem Capital Reports Third Quarter 2026 Results

2026-11-16

– Provides Update on Pending Asset Contribution Transaction with Industrial Realty Group (IRG) –

BRANFORD, Conn., Nov. 16, 2026 (GLOBE NEWSWIRE) -- Sachem Capital Corp. (NYSE American: SACH) ("Sachem" or the "Company"), a real estate lender specializing in originating, underwriting, funding, servicing, and managing a portfolio of loans secured by first mortgages on real property, today announced its financial results for the quarter and nine months ended September 30, 2026 and provided an update on the pending asset contribution transaction (the "Transaction") with Industrial Realty Group ("IRG").

John Villano, CPA, Sachem's Chief Executive Officer, commented, "During the third quarter, we continued to make meaningful progress repositioning our loan portfolio, substantially reducing non-accrual loans since year-end. We also ended the quarter with a solid cash position. Our announced transaction with IRG, which would combine Sachem with a scaled portfolio of industrial real estate, represents a compelling opportunity for our shareholders. We are working diligently toward completion, including preparing pro forma financial statements and proxy materials. While the transaction remains subject to shareholder approval and other customary closing conditions, we remain focused on bringing it to a close, as we believe it can create significant long-term value for our shareholders."

Contribution Agreement with Industrial Realty Group Global, LLC

As previously announced, the Company and IRG, a private real estate development and investment firm specializing in the acquisition, development and management of commercial and industrial real estate throughout the United States, entered into a definitive contribution agreement on May 17, 2026, under which IRG will contribute 98

industrial assets (“the Contribution Portfolio”) from its 200-asset portfolio owned by IRG and/or its partners to Sachem, and once completed, the combined company will operate as IRG Realty Trust, Inc. ("IRGT").

IRG will contribute the Contribution Portfolio to a newly formed Sachem operating partnership in exchange for operating partnership units and Class B common stock, based on a deemed value of $2.00 per Sachem common share. Following the closing, IRG is expected to hold approximately 94.1% of the operating partnership units, with Sachem shareholders retaining approximately 5.9%. At closing, Sachem expects to effect a 20-to-1 reverse stock split and change its name to IRG Realty Trust, Inc. The transaction was unanimously approved by Sachem’s Board of Directors and remains subject to shareholder approval and other closing conditions.

Upon closing, IRGT is expected to own 98 industrial properties having a gross real estate asset value of $2.9 billion, plus Sachem's approximately $467 million of total assets in direct and indirect mortgage loans, investments in developmental and owned real estate, and other assets. IRGT is expected to have an implied enterprise value of approximately $3.4 billion, positioning IRGT as a top-10 publicly listed industrial REIT based on enterprise value. IRGT will focus on mission-critical industrial infrastructure supporting manufacturing and distribution users. The assets not being contributed will continue to be owned and operated by IRG's existing private business, Industrial Realty Group, LLC.

Industrial Realty Group Transaction and Portfolio Update

- Approximately 3.0 million square feet of new and renewal leases were signed, representing $13.5 million of Annual Base Rent (“ABR”) during the third quarter 2026.
- Included in the above, 1.0 million square feet of new leases were signed representing $6.3 million of ABR.
- The Company and IRG continue to work toward completing the Transaction, which is currently expected to close in the first quarter of 2027, subject to the satisfaction of customary closing conditions, including the approval of the Company’s shareholders. The Company will provide additional updates during the fourth quarter as the Transaction progresses.

For additional information on the Contribution Agreement and the Transaction, see the Company's Current Report on Form 8-K filed with the SEC on May 18, 2026, and the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2026.

Portfolio and Asset Management Updates

Coconut Grove, Florida. Following the sale of one residence during the third quarter, two residences remain as collateral for the related-party loans. One is being marketed for sale and the other is nearing completion of outdoor

amenities and will be listed for sale in the fourth quarter. Subject to market conditions, we expect both properties to sell in the first half of 2027.

Vela Bay - Naples, Florida. Construction activity on the south building has commenced, including ground improvement work and presale activities. Subject to market conditions, we expect to sell the three completed north building residences in the first half of 2027. Our current estimate of remaining project expenditures is approximately $18.0 million through the fourth quarter of 2028. These estimates are subject to construction progress, costs, market conditions and sales timing; anticipated sales are not assured. Urbane Capital, our in-house asset management and development platform, continues to oversee the development and monetization of the project.

Loan Portfolio

- During the third quarter, we originated 11 loans and disbursed $36.8 million (including modifications and draws) while 12 loans, totaling $52.3 million, were repaid.
- Gross principal amount of loans held for investment was $320.0 million across 98 loans at September 30, 2026, compared to $377.4 million across 115 loans at December 31, 2025.
- Weighted average contractual interest rate, including default interest, was 11.43%, compared to 13.10% at December 31, 2025.
- Loans on non-accrual status had an outstanding principal balance of $84.6 million, compared to $117.6 million at December 31, 2025.
- No borrower exceeded 10% of the outstanding mortgage loan portfolio at September 30, 2026, compared to one borrower representing 13.3% of the loan portfolio at December 31, 2025.

Sachem’s Results of Operations for the Quarter Ended September 30, 2026

Net interest income was $1.1 million compared to $2.7 million in the third quarter of 2025. The year-over-year change was primarily due to a $1.7 million reduction in interest income from loans as average performing loan balances were lower by $36.3 million and the effective yield on performing loans declined. As the Company continued to reduce its limited liability company investments, interest income from limited liability company investments decreased $0.4 million while interest expense decreased $0.5 million due to lower average borrowings. Utilizing the average performing loans held for investment balance for the quarter of $231.8 million, the effective yield on performing loans was 11.5%. Comparatively, using the average performing loans held for investment balance for the third quarter of 2025 of $268.1 million, the effective yield on performing loans was 12.4%.

The Company’s net interest margin was 1.4% for the third quarter, compared to 2.9% for the third quarter 2025.

Net interest margin represents net interest income, calculated as annualized interest income less annualized interest expense, expressed as a percentage of average loans held for investment outstanding for the applicable period. The change 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.

Provision for credit losses related to loans held for investment was $0.5 million, compared with $0.8 million in the third quarter of 2025. The decrease was primarily due to stabilization in collateral valuations for loans previously reserved and fewer nonperforming loans.

Total other income was $1.8 million compared to $4.1 million in the same quarter last year, primarily due to decline in fee income on loans due to lower new loan origination volume, the absence of $1.4 million of gains on equity securities recorded in the same quarter last year, and decrease in rental income as a result of the sale of developmental real estate in December 2025.

Total operating costs and expenses for the third quarter of 2026 were $4.6 million compared to $5.0 million in the same quarter last year. The decrease was primarily related to lower compensation and employee benefits and general and administrative expenses, partially offset by transaction expenses, as discussed further below.

- Compensation and employee benefits were $1.9 million, compared to $2.3 million in the same quarter last year, reflecting nonrecurring awards in the same quarter last year.
- General and administrative expenses were $1.4 million, versus $1.7 million from the same quarter last year, primarily due to lower costs associated with our investments in developmental real estate.
- Transaction expenses were $0.8 million versus none in the same quarter last year, all of which were incurred in connection with the Transaction. We expect to incur additional material costs prior to the closing of the Transaction.
- There were no non-cash impairment losses on real estate in the third quarter of 2026, compared to $0.2 million in the same quarter last year, which related 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 was $0.1 million, compared to a net loss of $0.3 million in the same quarter last year, reflecting gains realized on the disposition of select real estate assets and developmental projects during the period.

Net loss attributable to common shareholders for the third quarter of 2026 was $3.2 million, or $0.07 per common share, compared to net loss attributable to common shareholders of $0.1 million, or $0.00 per common share for the third quarter of 2025. The current-quarter loss was significantly affected by $0.8 million of transaction expenses

associated with the Transaction.

Balance Sheet

At quarter end, total assets were $467.4 million compared to $460.0 million as of December 31, 2025, primarily reflecting a $30.5 million increase in cash and a $40.9 million increase in investments in developmental real estate, partially offset by a $57.2 million decrease in loans held for investment, net. The changes in developmental real estate and loans were primarily driven by the Naples, Florida loan restructuring in the first quarter of 2026. Total liabilities were $312.2 million compared to $285.1 million as of December 31, 2025, primarily due to a $12.0 million increase in borrowings under the revolving credit facility and a $10.4 million increase in senior secured notes payable.

Total indebtedness at quarter end was $301.3 million. This includes $172.4 million of unsecured notes payable (net of $0.9 million of deferred financing costs), $97.0 million of senior secured notes payable (net of $3.0 million of deferred financing costs), $31.0 million outstanding on a $50.0 million revolving credit facility and $0.9 million of outstanding principal on a loan secured by a mortgage on the Company's office building. Approximately $51.8 million of unsecured notes payable are due and payable on December 30, 2026.

Total shareholders' equity as of September 30, 2026, was $155.2 million compared to $174.9 million as of December 31, 2025, primarily reflecting the nine-month net loss of $13.6 million and $6.7 million of dividends paid.

Book value per common share

Book value per common share as of September 30, 2026, was $2.03, as compared to $2.46 as of December 31, 2025. This change was primarily due to cash dividends declared and paid for the nine months ended September 30, 2026 on issued and outstanding common shares and shares of Series A Preferred Stock totaling an aggregate of $6.7 million, or $0.14 per common share, and net loss for the nine months ended September 30, 2026 of $13.6 million, or $0.28 per common share.

The nine month period's net loss impacting the book value per common share was materially driven by 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, and expenses related to the Transaction of $4.9 million, or $0.10 per common share. The aggregate impact of these events is $8.8 million, or $0.18 per common share of book value, decline from year end.

Dividends

The Company currently operates and qualifies as a Real Estate Investment Trust (REIT) for federal income tax purposes and intends to continue to qualify and operate as a REIT. Under federal income tax rules, a REIT is required to distribute a minimum of 90% of taxable income each year to its shareholders, and the Company intends to comply with this requirement for the current year.

On September 30, 2026, the Company paid a dividend of $0.484375 per share to the holders of its Series A Preferred Stock and $0.01 per share to its common shareholders of record on September 15, 2026.

About Sachem Capital Corp

Sachem is a mortgage REIT that specializes in originating, underwriting, funding, servicing, and managing a portfolio of loans secured by first mortgages on real property. It offers short-term (i.e., one to three years), secured, nonbanking loans to real estate investors to fund their acquisition, renovation, development, rehabilitation, or improvement of properties. The Company's primary underwriting criteria is a conservative loan to value ratio. The properties securing the loans are generally classified as residential or commercial real estate and, typically, are held for resale or investment. Loans are secured by mortgage liens on real estate and often are personally guaranteed by the principal(s) of the borrower. The Company also makes opportunistic real estate purchases apart from its lending activities.

Forward Looking Statements

This press release includes forward-looking statements. These forward-looking statements generally can be identified by phrases such as "anticipate," "estimate," "expect," "project," "plan," "seek," "intend," "believe," "may," "might," "will," "should," "could," "likely," "continue," "outlook," "design," and the negative variations of such terms and other words and terms of similar expressions are intended to identify forward-looking statements. Such forward-looking statements include, but are not limited to, statements about the proposed transaction with IRG (the "Transaction") and expected timing, terms, structure and completion thereof; the expected ownership, governance, management, business strategy and market position of the combined company; the expected benefits of the Transaction, including anticipated future financial and operating results, accretion, growth rates, revenue, net operating income, cash flow generation, cost-of-capital improvements, liquidity, refinancing of upcoming debt maturities, the anticipated timing, costs and sales of Sachem's real estate development projects, deleveraging, leverage targets and risk-adjusted returns; the expected gross asset value, enterprise value, portfolio composition, industrial REIT ranking, mark-to-market rent growth, acquisition and development opportunities and lending strategy of the combined company; and Sachem's, IRG's and the combined company's plans, objectives, expectations and intentions. These statements are based on current expectations, estimates and projections about the industry, markets in which Sachem and IRG operate, management's beliefs, assumptions made by management

and the transactions described in this press release. While Sachem's management believes the assumptions underlying the forward-looking statements and information are reasonable, such information is necessarily subject to uncertainties and may involve certain risks, many of which are difficult to predict and are beyond management's control. These risks include, but are not limited to: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the Contribution Agreement; (2) the nature, cost and outcome of any litigation and other legal proceedings, including any such proceedings related to the Transaction that may be instituted against the parties and others following announcement of the Transaction; (3) the inability to consummate the Transaction within the anticipated time period, or at all, due to any reason, including the failure to obtain the requisite shareholder approval, failure to obtain required regulatory approvals, the failure to obtain debt financing on the terms or timing expected, or at all, or the failure to satisfy other conditions to completion of the Transaction; (4) risks that the proposed Transaction disrupts current plans and operations of Sachem or diverts management's attention from its ongoing business; (5) the ability to recognize the anticipated benefits of the Transaction; (6) the amount of the costs, fees, expenses and charges related to the Transaction; (7) the risk that the contribution agreement may be terminated in circumstances requiring Sachem to pay a termination fee; (8) the effect of the announcement of the Transaction on the ability of Sachem to retain and hire key personnel and maintain relationships with its borrowers and others with whom it does business; (9) the effect of the announcement of the Transaction on Sachem's operating results and business generally; (10) the risk that Sachem's stock price may decline significantly if the Transaction is not consummated; (11) risks related to Sachem's ability to refinance its upcoming debt maturities, the credit performance of its loan portfolio, and the timing, pricing and costs of completing and selling its real estate assets; and (12) the other risks and important factors contained and identified in Sachem's filings with the SEC, such as Sachem's Annual Report on Form 10-K for the fiscal year ended December 31, 2025 and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, as well as Sachem's subsequent reports on Form 10-K, Form 10-Q or Form 8-K filed from time to time, any of which could cause actual results to differ materially from the forward-looking statements in this press release.

There can be no assurance that the Transaction will in fact be consummated. Investors are advised not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this press release. Sachem undertakes no obligation or duty to update or revise any of these forward-looking statements after the date of this press release, nor to conform prior statements to actual results or revised expectations, and Sachem does not intend to do so.

Additional Information and Where to Find It

This press release does not constitute a solicitation of any vote or approval or an offer to sell or the solicitation of an offer to buy any securities in connection with the Transaction. In connection with the proposed Transaction, Sachem will file a proxy statement (the "Proxy Statement") with the Securities and Exchange Commission (the

"SEC"), which Sachem will furnish, together with any other relevant documents, to its shareholders in connection with the special meeting of Sachem shareholders to vote on the Transaction (the "Sachem Shareholder Meeting"). This press release is not a substitute for the Proxy Statement or any other document that Sachem may file with the SEC or send to its shareholders in connection with the Transaction. BEFORE MAKING ANY VOTING DECISION, WE URGE SHAREHOLDERS TO READ THE PROXY STATEMENT (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT SACHEM AND THE PROPOSED TRANSACTION. The proposals for the Transaction will be made solely through the Proxy Statement. In addition, a copy of the Proxy Statement (when it becomes available) may be obtained free of charge from the Investor Relations Department of Sachem at Investor Relations, 568 East Main Street, Branford, CT 06405. Security holders also will be able to obtain, free of charge, copies of the Proxy Statement and any other documents filed by Sachem with the SEC in connection with the proposed Transaction at the SEC's website at http://www.sec.gov and at Sachem's website at https://www.sachemcapitalcorp.com/.

Participants in the Solicitation

The directors and executive officers of Sachem, and certain directors, managers, officers and other members of management of IRG and its affiliates, may be deemed to be participants in the solicitation of proxies in connection with the approval of the proposed Transaction. Information regarding Sachem's directors and executive officers and their respective interests in Sachem by security holdings or otherwise is available in its most recent Annual Report on Form 10-K filed with the SEC (available **here**). Additional information regarding the interests of such potential participants is or will be included in the Proxy Statement and other relevant materials to be filed with the SEC when they become available, including in connection with the solicitation of proxies to approve the proposed Transaction.

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

	September 30, 2026 (unaudited)	December 31, 2025 (audited)
Assets		
Cash and cash equivalents	$ 41,432	$ 10,924

Investment securities (at fair value)	801	936
Loans held for investment (net of deferred loan fees of $1,202 and $2,230)	318,758	375,188
Allowance for credit losses	(12,303)	(11,510)
Loans held for investment, net	306,455	363,678
Interest and fees receivable (net of allowances of $1,024 and $2,598)	3,780	4,116
Due from borrowers (net of allowances of $2,200 and $1,084)	5,545	6,978
Real estate owned (net of impairments of $528 and $1,110)	16,991	16,402
Investments in limited liability companies	29,786	39,132
Investments in developmental real estate, net	50,644	9,719
Property and equipment, net	2,996	3,160
Other assets	8,994	5,002
Total assets	$ 467,424	$ 460,047
Liabilities and Shareholders' Equity		
Liabilities:		
Notes payable (net of deferred financing costs of $857 and $1,905)	$ 172,397	$ 171,349
Senior secured notes payable (net of deferred financing costs of $2,988 and $3,427)	97,012	86,573
Mortgage payable	850	917
Line of credit	31,000	19,000
Accounts payable and accrued liabilities	6,018	3,255
Advances from borrowers	4,931	4,016
Total liabilities	312,208	285,110
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 September 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 September 30, 2026 and December 31, 2025, respectively	48	48
Additional paid-in capital	258,453	257,905
Cumulative net earnings	28,274	41,826
Cumulative dividends paid	(131,561)	(124,844)
Total shareholders' equity	155,216	174,937
Total liabilities and shareholders' equity	$ 467,424	$ 460,047

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest income from loans	$ 6,644	$ 8,326	$ 22,650	$ 23,696
Interest income from limited liability company investments	604	977	2,213	3,778
Interest expense and amortization of deferred financing costs	(6,100)	(6,565)	(18,487)	(18,798)
Net interest income	1,148	2,738	6,376	8,676
Provision for credit losses related to loans held for investment	(484)	(812)	(8,408)	(2,788)
Change in valuation allowance related to loans held for sale	—	(33)	—	1,014
Net interest income (loss) after provision for credit losses related to loans held for investment and changes in valuation allowance related to loans held for sale	664	1,893	(2,032)	6,902
Other income				
Fee income from loans	1,581	1,964	4,019	5,160
Income from limited liability company investments	33	121	210	350
Other investment income	3	85	10	102
(Loss) gain on equity securities	(2)	1,364	(135)	2,060
Other income	190	527	467	1,131
Total other income	1,805	4,061	4,571	8,803
Operating expenses				
Compensation and employee benefits	(1,898)	(2,334)	(5,973)	(5,926)
General and administrative expenses	(1,407)	(1,679)	(4,820)	(4,338)
Transaction expenses	(754)	—	(4,929)	—
Impairment loss on real estate	—	(185)	(191)	(185)
Gain on sale of investments in developmental real estate, real estate owned, and property and equipment, net	95	(312)	766	(181)
Other expenses	(603)	(447)	(944)	(1,287)
Total operating expenses	(4,567)	(4,957)	(16,091)	(11,917)

Net (loss) income	(2,098)	997	(13,552)	3,788
Preferred stock dividends	(1,121)	(1,117)	(3,361)	(3,352)
Net (loss) income attributable to common shareholders	$ (3,219)	$ (120)	$ (16,913)	$ 436
Basic and diluted (loss) income per common share	$ (0.07)	$ 0.00	$ (0.36)	$ 0.01
Basic and diluted weighted average number of common shares outstanding	47,302,210	46,902,151	47,254,566	46,854,457

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

	Nine Months Ended September 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	$ (13,552)	$ 3,788
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Amortization of deferred financing costs	1,574	1,653
Depreciation and amortization expense	209	368
Stock-based compensation	564	645
Provision for credit losses related to loans held for investment	8,408	2,788
Change in valuation allowance related to loans held for sale	—	(1,014)
Impairment loss on real estate owned	191	185
(Gain) loss on sale of real estate owned and property and equipment, net	(766)	181
Gain on extinguishment of debt	—	(140)
Loss (gain) on equity securities	135	(2,060)
Change in deferred loan fees	(1,030)	446
Changes in operating assets and liabilities:		
Interest and fees receivable, net	(226)	(79)
Other assets	33	310
Due from borrowers, net	(2,010)	(2,251)
Accounts payable and accrued liabilities	2,432	(960)
Advances from borrowers	936	1,764
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(3,102)	5,624
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investment securities	—	2,148
Purchase of interests in limited liability companies	(721)	(5,742)
Proceeds from investments in limited liability companies	10,067	18,517
Proceeds from sale of real estate owned	6,190	3,047
Purchase of property and equipment	—	(55)
Investments in developmental real estate	(1,897)	(2,762)
Proceeds from sale of investments in developmental real estate	1,215	—
Principal disbursements for loans	(115,754)	(125,609)
Principal collections on loans	119,460	112,045
NET CASH PROVIDED BY INVESTING ACTIVITIES	18,560	1,589
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from lines of credit	80,500	58,840
Repayments on lines of credit	(68,500)	(66,100)
Proceeds from repurchase agreements	—	11,693
Repayments of repurchase agreements	—	(37,576)
Repayment of mortgage payable	(67)	(63)
Repayment of notes payable	—	(56,845)
Dividends paid on Common Shares	(3,356)	(7,114)
Dividends paid on Series A Preferred Stock	(3,361)	(3,352)
Proceeds from issuance of Senior Secured Notes	10,000	90,000
Repurchase of Common Shares	(16)	—
Payments of deferred financing costs	(150)	(3,590)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	15,050	(14,107)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,508	(6,894)
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	10,924	18,066
CASH AND CASH EQUIVALENTS – END OF PERIOD	$ 41,432	$ 11,172

Source: Sachem Capital Corp.