

**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 March 31, 2024

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: 1-36346

OXBRIDGE RE HOLDINGS LIMITED

(Exact name of registrant as specified in its charter)

Cayman Islands	98-1150254
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Suite 201 42 Edward Street, Georgetown P.O. Box 469 Grand Cayman, Cayman Islands	KY1-9006
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (345) 749-7570

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of May 09, 2024; 6,006,661 ordinary shares, par value \$0.001 per share, were outstanding.

OXBRIDGE RE HOLDINGS LIMITED

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Balance Sheets
 (expressed in thousands of U.S. Dollars, except per share and share amounts)

	At March 31, 2024 (Unaudited)	At December 31, 2023
Assets		
Investments:		
Equity securities, at fair value (cost: \$1,563 and \$1,926)	\$ 284	680
Cash and cash equivalents	532	495
Restricted cash and cash equivalents	3,780	3,250
Premiums receivable	489	977
Other Investments	1,790	2,478
Loan Receivable	-	100
Due from Related Party	63	63
Deferred policy acquisition costs	40	101
Operating lease right-of-use assets	148	9
Prepayment and other assets	123	96
Prepaid Offering Costs	12	-
Property and equipment, net	2	4
Total assets	<u><u>\$ 7,263</u></u>	<u><u>8,253</u></u>
Liabilities and Shareholders' Equity		
Liabilities:		
Notes payable to noteholders	118	118
Notes payable to DeltaCat Re Tokenholders	1,918	1,523
Unearned Premium Reserve	366	915
Operating lease liabilities	148	9
Accounts payable and other liabilities	214	356
Total liabilities	<u><u>2,764</u></u>	<u><u>2,921</u></u>
Shareholders' equity:		
Ordinary share capital, (par value \$0.001, 50,000,000 shares authorized; 6,006,661 and 5,870,234 shares issued and outstanding)	6	6
Additional paid-in capital	32,812	32,740
Accumulated Deficit	<u><u>(28,319)</u></u>	<u><u>(27,414)</u></u>
Total shareholders' equity	<u><u>4,499</u></u>	<u><u>5,332</u></u>
Total liabilities and shareholders' equity	<u><u>\$ 7,263</u></u>	<u><u>8,253</u></u>

The accompanying Notes to Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Operations
(Unaudited)
(expressed in thousands of U.S. Dollars, except per share amounts)

	Three Months Ended March 31,	
	2024	2023
Revenue		
Net premiums earned	549	-
Net investment and other income	62	89
Interest and gain on redemption of loan	41	-
Unrealized (loss) gain on other investments	(688)	381
Change in fair value of equity securities	(89)	76
Total revenue	<u>(125)</u>	<u>546</u>
Expenses		
Policy acquisition costs and underwriting expenses	60	-
General and administrative expenses	488	404
Total expenses	<u>548</u>	<u>404</u>
(Loss) Income before income attributable to noteholders	<u>(673)</u>	<u>142</u>
Income attributable to noteholders	<u>(232)</u>	<u>-</u>
Net (loss) income	<u>(905)</u>	<u>142</u>
(Loss) Earnings per share		
Basic and Diluted	<u>(0.15)</u>	<u>0.02</u>
Weighted-average shares outstanding		
Basic and Diluted	<u>6,005,162</u>	<u>5,857,643</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

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OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited)
(expressed in thousands of U.S. Dollars)

	Three Months Ended March 31,	
	2024	2023
Operating activities		
Net (loss) income	\$ (905)	142
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Stock-based compensation	72	54
Depreciation and amortization	2	2
Change in fair value of other investments	688	(381)
Change in fair value of equity securities	89	(76)
Interest and gain on redemption of loan	(41)	-
Change in operating assets and liabilities:		
Premiums receivable	488	138
Due from related party	-	(24)
Deferred policy acquisition costs	61	-
Prepayment and other assets	(27)	(34)
Prepaid Offering Costs	(12)	-
Other Liabilities Delta Cat Re Tokenholders	395	-
Unearned premiums reserve	(549)	-
Accounts payable and other liabilities	<u>(142)</u>	<u>39</u>
Net cash provided by (used in) operating activities	<u>\$ 119</u>	<u>(140)</u>
Investing activities		
Purchase of property and equipment	-	(5)
Proceeds from redemption of loan receivable	141	-
Proceeds from sale of equity securities	<u>307</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>\$ 448</u>	<u>(5)</u>
Financing activities		
Partial redemption of notes payable to noteholders	-	(44)
Prepaid offering costs	-	(119)

Net cash used in financing activities	\$ -	(163)
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The accompanying Notes to Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Cash Flows, continued
(Unaudited)
(expressed in thousands of U.S. Dollars)

	Three Months Ended March 31,	
	2024	2023
Cash and cash equivalents, and restricted cash and cash equivalents:		
Net change during the period	567	(308)
Balance at beginning of period	3,745	3,928
Balance at end of period	\$ 4,312	3,620
Supplemental disclosure of cash flow information		
Non-cash investing activities		
Operating lease right-of-use assets	\$ 148	65
Operating lease liabilities	\$ 148	65

The accompanying Notes to Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Changes in Shareholders' Equity (unaudited)
Three Months Ended March 31, 2024 and 2023
(expressed in thousands of U.S. Dollars, except share amounts)

	Ordinary Share Capital			Additional Paid-in Capital		Accumulated Deficit	
	Shares	Amount					
Balance at December 31, 2022	5,769,587	6		32,482		(17,499)	14,989
Net income for the period	-	-		-		142	142
Stock-based compensation	-	-		54		-	54
Issuance of restricted stock	96,647	-		-		-	-
Balance at March 31, 2023	<u>5,866,234</u>	<u>6</u>		<u>32,536</u>		<u>(17,357)</u>	<u>15,185</u>
Balance at December 31, 2023	5,870,234	6		32,740		(27,414)	5,332
Net loss for the period	-	-		-		(905)	(905)
Stock-based compensation	-	-		72		-	72
Issuance of restricted stock	136,427	-		-		-	-
Balance at March 31, 2024	<u>6,006,661</u>	<u>6</u>		<u>32,812</u>		<u>(28,319)</u>	<u>4,499</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

1. ORGANIZATION AND BASIS OF PRESENTATION

(a) Organization

Oxbridge Re Holdings Limited (the "Company") was incorporated as an exempted company on April 4, 2013 under the laws of the Cayman Islands. The Company directly owns 100% of the equity interest in Oxbridge Reinsurance Limited, an exempted entity incorporated on April 23, 2013 under the laws of the Cayman Islands and for which a Class "C" Insurer's license was granted on April 29, 2013 under the provisions of the Cayman Islands Insurance Law. The Company also indirectly owns 100% of the equity interest in Oxbridge Re NS, an entity incorporated as an exempted company on December 22, 2017 under the laws of the Cayman Islands to function as a reinsurance sidecar facility and to increase the underwriting capacity of Oxbridge Reinsurance Limited. The Company also indirectly owns 100% of the equity interest in SurancePlus, an entity incorporated as a business company on December 19, 2022 under the laws of the British Virgin Islands to issue digital securities. The Company and its subsidiaries (collectively "Oxbridge Re") provide the following: SurancePlus is a Web3-focused subsidiary that currently leverages blockchain technology to democratize access to high-return reinsurance contracts via digital securities; Oxbridge Reinsurance Limited is a licensed reinsurance subsidiary that provides reinsurance business solutions primarily to property and casualty insurers in the Gulf Coast region of the United States; Oxbridge Re NS is a licensed reinsurance SPV/side car that provides third-party investors with access to reinsurance contracts with returns uncorrelated to the financial markets. The Company operates as a single business segment through its wholly-owned subsidiaries. The Company's headquarters and principal

executive offices are located at Suite 201, 42 Edward Street, George Town, Grand Cayman, Cayman Islands, and have their registered offices at P.O. Box 309, Ugland House, Grand Cayman, Cayman Islands.

The Company's ordinary shares and warrants are listed on The NASDAQ Capital Market under the symbols "OXBR" and "OXBRW," respectively.

(b) Basis of Presentation and Consolidation

The accompanying unaudited, consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information, and the Securities and Exchange Commission ("SEC") rules for interim financial reporting. Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations. However, in the opinion of management, the accompanying interim consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the Company's consolidated financial position as of March 31, 2024 and the consolidated results of operations and cash flows for the periods presented. The consolidated results of operations for interim periods are not necessarily indicative of the results of operations to be expected for any subsequent interim period or for the fiscal year ended December 31, 2024. The accompanying unaudited consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023 included in the Company's Form 10-K, which was filed with the SEC on March 26, 2024.

Uses of Estimates: In preparing the interim unaudited consolidated financial statements, management was required to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures at the financial reporting date and throughout the periods being reported upon. Certain of the estimates result from judgments that can be subjective and complex and consequently actual results may differ from these estimates, which would be reflected in future periods.

Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the reserve for losses and loss adjustment expenses (if any), which may include amounts estimated for claims incurred but not yet reported. The Company uses various assumptions and actuarial data it believes to be reasonable under the circumstances to make these estimates. In addition, accounting policies specific to valuation of investments involve significant judgments and estimates material to the Company's consolidated financial statements. Although considerable variability is likely to be inherent in these estimates, management believes that the amounts provided are reasonable. These estimates are continually reviewed and adjusted if necessary. Such adjustments are reflected in current operations.

The Company consolidates in these consolidated financial statements the results of operations and financial position of all voting interest entities ("VOE") in which the Company has a controlling financial interest and all variable interest entities ("VIE") in which the Company is considered to be the primary beneficiary. The consolidation assessment, including the determination as to whether an entity qualifies as a VIE or VOE, depends on the facts and circumstances surrounding each entity.

All significant intercompany balances and transactions have been eliminated.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition: SurancePlus Inc's incentive, technology, origination and management ("ITOM") fee income represents fee income related to the completion of the DeltaCat tokenized reinsurance securities as well as placement of the underlying insurance policies. The Company recognizes the associated revenue at the time of the placement of the underlying insurance policies as the performance obligation is satisfied at that time.

Cash and cash equivalents: Cash and cash equivalents are comprised of cash and short- term investments with original maturities of three months or less.

Restricted cash and cash equivalents: Restricted cash and cash equivalents represent funds held in accordance with the Company's trust agreements with ceding insurers and trustees, which requires the Company to maintain collateral with a market value greater than or equal to the limit of liability, less unpaid premium.

Investments: The Company from time to time invests in fixed-maturity debt securities and equity securities, and for which its fixed-maturity debt securities are classified as available-for-sale. The Company's available for sale debt investments are carried at fair value with changes in fair value included as a separate component of accumulated other comprehensive income (loss) in shareholders' equity. For the Company's investment in equity securities, and for the Company's investment in Jet.AI classified as "other investments", the changes in fair value are recorded within the consolidated statements of operations. At March 31, 2024 and December 31, 2023 the company did not own any fixed maturity debt securities.

Unrealized gains or losses are determined by comparing the fair market value of the securities with their cost or amortized cost. Realized gains and losses on investments are recorded on the trade date and are included in the consolidated statements of operations. The cost of securities sold is based on the specified identification method. Investment income is recognized as earned and discounts or premiums arising from the purchase of debt securities are recognized in investment income using the interest method over the remaining term of the security.

Fair value measurement: GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and
- Level 3 Inputs that are unobservable.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (cont'd)

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. For fixed maturity debt securities, inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, broker quotes for similar securities and other factors. The fair value of investments in stocks and exchange-traded funds is based on the last traded price. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Company's investment custodians and management. The investment custodians consider observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant markets.

Deferred policy acquisition costs ("DAC"): Policy acquisition costs consist of brokerage fees, federal excise taxes and other costs related directly to the successful acquisition of new or renewal insurance contracts and are deferred and amortized over the terms of the reinsurance agreements to which they relate. The Company evaluates the recoverability of DAC by determining if the sum of future earned premiums and anticipated investment income is greater than the expected future claims and expenses. If a loss is probable on the unexpired portion of policies in force, a premium deficiency loss is recognized.

Offering Expenses: During the three-month period ended March 31, 2024, the Company recognized in the consolidated balance sheet \$ 12,000 of offering expenses in relation to the offering of EpilonCat Re digital securities issuable by the Company's subsidiary, SurancePlus Inc. (See Note 6).

In accordance with the terms of the equity distribution agreement with Maxim, we intend to offer and sell ordinary shares having an aggregate offering price of up to \$6.3 million from time to time. In accordance with prospectus of SurancePlus Inc., the Company intends to offer and sell its EpsilonCat Re digital securities having an aggregate price of up to \$5 million. Reclassification of prepaid offering costs to additional paid-in capital will occur upon successful drawdown of an offering.

Reserves for losses and loss adjustment expenses: The Company determines its reserves for losses and loss adjustment expenses, if any, on the basis of the claims reported by the Company's ceding insurers and for losses incurred but not reported ("IBNR"), management uses the assistance of an independent actuary. The reserves for losses and loss adjustment expenses represent management's best estimate of the ultimate settlement costs of all losses and loss adjustment expenses. Management believes that the amounts are adequate; however, the inherent impossibility of predicting future events with precision, results in uncertainty as to the amount which will ultimately be required for the settlement of losses and loss expenses, and the differences could be material. Adjustments are reflected in the consolidated statements of operations in the period in which they are determined.

Loss experience refund payable: Certain contracts may include retrospective provisions that adjust premiums or result in profit commissions in the event losses are minimal or zero. In accordance with GAAP, the Company will recognize a liability in the period in which the absence of loss experience obligates the Company to pay cash or other consideration under the contracts. On the contrary, the Company will derecognize such liability in the period in which a loss experience arises. Such adjustments to the liability, which accrue throughout the contract terms, will reduce the liability should a catastrophic loss event covered by the Company occur.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES Notes to Consolidated Financial Statements (unaudited) March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Premiums assumed: The Company records premiums assumed, net of loss experience refunds, as earned pro-rata over the terms of the reinsurance agreements, or period of risk, where applicable, and the unearned portion at the consolidated balance sheet date is recorded as unearned premiums reserve. A reserve is made for estimated premium deficiencies to the extent that estimated losses and loss adjustment expenses exceed related unearned premiums. Investment income is not considered in determining whether or not a deficiency exists.

Subsequent adjustments of premiums assumed, based on reports of actual premium by the ceding companies, or revisions in estimates of ultimate premium, are recorded in the period in which they are determined. Such adjustments are generally determined after the associated risk periods have expired; in which case the premium adjustments are fully earned when assumed.

Certain contracts allow for reinstatement premiums in the event of a full limit loss prior to the expiration of the contract. A reinstatement premium is not due until there is a full limit loss event and therefore, in accordance with GAAP, the Company records a reinstatement premium as written only in the event that the reinsured incurs a full limit loss on the contract and the contract allows for a reinstatement of coverage upon payment of an additional premium. For catastrophe contracts which contractually require the payment of a reinstatement premium equal to or greater than the original premium upon the occurrence of a full limit loss, the reinstatement premiums are earned over the original contract period. Reinstatement premiums that are contractually calculated on a pro-rata basis of the original premiums are earned over the remaining coverage period.

Unearned Premiums Ceded: The Company may reduce the risk of future losses on business assumed by reinsuring certain risks and exposures with other reinsurers (retrocessionaires). The Company remains liable to the extent that any retrocessionaire fails to meet its obligations and to the extent that the Company does not hold sufficient security for their unpaid obligations.

Ceded premiums are written during the period in which the risk is incepted and are expensed over the contract period in proportion to the period of protection. Unearned premiums ceded consist of the unexpired portion of the reinsurance obtained. There were no unearned premiums ceded at March 31, 2024 or December 31, 2023.

Uncertain Income Tax Positions: The authoritative GAAP guidance on accounting for, and disclosure of, uncertainty in income tax positions requires the Company to determine whether an income tax position of the Company is more likely than not to be sustained upon examination by the relevant tax authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For income tax positions meeting the more likely than not threshold, the tax amount recognized in the consolidated financial statements, if any, is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. The application of this authoritative guidance has had no effect on the Company's consolidated financial statements because the Company had no uncertain tax positions at March 31, 2024.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES Notes to Consolidated Financial Statements (unaudited) March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(Loss) Earnings Per Share: Basic (loss) earnings per share has been computed on the basis of the weighted-average number of ordinary shares outstanding during the periods presented. Diluted (loss) earnings per share is computed based on the weighted-average number of ordinary shares outstanding and reflects the assumed exercise or conversion of diluted securities, such as stock options and warrants, computed using the treasury stock method.

Share-Based Compensation: The Company accounts for stock-based compensation under the fair value recognition provisions of GAAP which requires the measurement and recognition of compensation for all stock-based awards made to employees and directors, including stock options and restricted stock issuances based on estimated fair values. The Company measures compensation for restricted stock based on the price of the Company's ordinary shares at the grant date. Determining the fair value of stock options at the grant date requires significant estimation and judgment. The Company uses an option-pricing model (Black-Scholes option pricing model) to assist in the calculation of fair value for stock options. When estimating the expected volatility, the Company takes into consideration the historical volatility of entities similar to itself. The Company considers factors such as an entity's industry, stage of life cycle, size and financial leverage when selecting similar entities. The Company may use a sample peer group of companies in the reinsurance industry and/or the Company's own historical volatility in determining the expected volatility.

Additionally, the Company uses the guidance in the SEC's Staff Accounting Bulletin No. 107 to determine the estimated life of options issued and has assumed no forfeitures during the life of the options.

The Company uses the straight-line attribution method for all grants that include only a service condition. Compensation expenses related to all awards is included in general and administrative expenses.

Accounting Updates: From time to time, new accounting pronouncements are issued by the FASB or other standard-setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the effect of recently issued standards that are not yet effective will not have a material effect on its consolidated financial position or results of operations upon adoption.

Segment Information: Under GAAP, operating segments are based on the internal information that management uses for allocating resources and assessing performance as the source of the Company's reportable segments. The Company manages its business on the basis of one operating segment, Property and Casualty Reinsurance, in accordance with the qualitative and quantitative criteria established under GAAP.

Reclassifications: Any reclassifications of prior period amounts have been made to conform to the current period presentation.

3. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS

	At March 31, 2024	At December 31, 2023
	(in thousands)	
Cash on deposit	\$ 532	\$ 495
Restricted cash held in trust	3,780	3,250
Total	\$ 4,312	\$ 3,745

Cash and cash equivalents are held by large and reputable counterparties in the United States of America and in the Cayman Islands. Restricted cash held in trust is custodied with Truist Bank, and is held in accordance with the Company's trust agreements with the ceding insurers and trustees, which require that the Company provide collateral having a market value greater than or equal to the limit of liability, less unpaid premium.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

4. INVESTMENTS

The Company from time to time invests in fixed-maturity debt securities and equity securities, with its fixed-maturity debt securities classified as available-for-sale. At March 31, 2024 and December 31, 2023, the Company did not hold any available-for-sale securities.

Proceeds received, and the gross realized gains and losses from sale of equity securities, for the periods ended March 31, 2024 and 2023, are as follows:

	Gross proceeds from sales	Gross Realized Gains (\$ in thousands)	Gross Realized Losses
<hr/>			
<i>Three Months Ended March 31, 2024</i>			
Equity securities	\$ 307	\$ -	\$ -
<hr/>			
<i>Three Months Ended March 31, 2023</i>			
Equity securities	\$ -	\$ -	\$ -

Other Investments

On August 7, 2023, OXAC held an extraordinary general meeting at which the business combination with Jet Token, Inc. was approved by OXAC shareholders. In conjunction with the business combination, OXAC was redomiciled as a Delaware entity, and changed its name to Jet.AI Inc. The business combination was closed on August 10, 2023, and on August 11, 2023, OXAC common stock and warrants began trading on the Nasdaq Global Market under the new ticker symbols JTAI and JTAIW.

The Company's beneficial interests in Jet. AI's ordinary shares, public warrants and Extension Loan are recorded at fair value and are classified in "Other Investments" on the consolidated balance sheets. The fair value calculation of the Company's beneficial interest in Jet.AI's ordinary shares and public warrants is dependent on the observable trading prices of JetAI's Class A shares and public warrants. The fair value calculation of the Company's beneficial interest in the Extension Loan is estimated to be the pro-rata original principal amount of the Extension Loan due to the short-term nature.

The Sponsor holds 2,875,000 ordinary shares, 575 Series A-1 preferred shares with purchase price of \$ 1,000 each, along with the 4,897,500

warrants. One of the Company's executive officers is an independent member of Jet.AI's board.

As a result of the re-measurement of our investment in Jet.AI, we recognized for the three months ended March 31, 2024, an unrealized loss of \$688,000 within our consolidated statements of operations.

Other investments as of March 31, 2024 and December 31, 2023 consist of the following (in thousands):

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Jet.AI. Series A-1 Convertible Preferred Stock	\$ 285	\$ 285
Jet.AI common stock	<u>1,505</u>	<u>2,193</u>
Total	<u>\$ 1,790</u>	<u>\$ 2,478</u>
Beginning of year	\$ 2,478	\$ 11,423
Unrealized loss on other investments	(688)	(8,945)
End of period	<u>\$ 1,790</u>	<u>\$ 2,478</u>

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OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

4. INVESTMENTS (continued)

Assets Measured at Estimated Fair Value on a Recurring Basis

The following table presents information about the Company's financial assets measured at estimated fair value on a recurring basis that is reflected in the consolidated balance sheets at carrying value. The table indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value as of March 31, 2024 and December 31, 2023:

As of March 31, 2024	Fair Value Measurements Using			Total
	(Level 1)	(Level 2)	(Level 3)	
	(\$ in thousands)			
Financial Assets:				
Cash and cash equivalents	\$ 532	\$ -	\$ -	\$ 532
Restricted cash and cash equivalents	<u>3,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,780</u>
Other investments	<u>1,505</u>	<u>\$ -</u>	<u>\$ 285</u>	<u>\$ 1,790</u>
Equity securities	<u>284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284</u>
Total	<u>\$ 6,101</u>	<u>\$ -</u>	<u>\$ 285</u>	<u>\$ 6,386</u>
As of December 31, 2023	Fair Value Measurements Using			
	(Level 1)	(Level 2)	(Level 3)	
	(\$ in thousands)			
Financial Assets:				
Cash and cash equivalents	\$ 495	\$ -	\$ -	\$ 495
Restricted cash and cash equivalents	<u>3,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,250</u>
Other investments	<u>2,193</u>	<u>\$ -</u>	<u>\$ 285</u>	<u>\$ 2,478</u>
Equity securities	<u>680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680</u>
Total	<u>\$ 6,618</u>	<u>\$ -</u>	<u>\$ 285</u>	<u>\$ 6,903</u>

There were no transfers between Levels 1, 2 or 3 during the three months ended March 31, 2024 and 2023.

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OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

5. TAXATION

Under current Cayman Islands law, no corporate entity, including the Company and the subsidiaries, is obligated to pay taxes in the Cayman Islands on either income or capital gains. The Company and Oxbridge Reinsurance Limited have an undertaking from the Governor-in-Cabinet of the Cayman Islands, pursuant to the provisions of the Tax Concessions Law, as amended, that, in the event that the Cayman Islands enacts any legislation that imposes tax on profits, income, gains or appreciations, or any tax in the nature of estate duty or inheritance tax, such tax will not be applicable to the Company and Oxbridge Reinsurance Limited or their operations, or to the ordinary shares or related obligations, until April 23, 2033 and May 17, 2033, respectively.

The Company and its subsidiaries intend to conduct substantially all of their operations in the Cayman Islands in a manner such that they will not be engaged in a trade or business in the U.S. However, because there is no definitive authority regarding activities that constitute being engaged in a trade or business in the U.S. for federal income tax purposes, the Company cannot assure that the U.S. Internal Revenue Service will not contend, perhaps successfully, that the Company or its subsidiary is engaged in a trade or business in the U.S. A foreign corporation deemed to be so engaged would be

subject to U.S. federal income tax, as well as branch profits tax, on its income that is treated as effectively connected with the conduct of that trade or business unless the corporation is entitled to relief under an applicable tax treaty.

6. VARIABLE INTEREST ENTITIES

Oxbridge Re NS. On December 22, 2017, the Company established Oxbridge Re NS, a Cayman domiciled and licensed special purpose insurer, formed to provide additional collateralized capacity to support Oxbridge Reinsurance Limited's reinsurance business. In respect of the debt issued by Oxbridge Re NS to investors, Oxbridge Re NS has entered into a retrocession agreement with Oxbridge Reinsurance Limited effective September 1, 2020. Under this agreement, Oxbridge Re NS receives a quota share of Oxbridge Reinsurance Limited's catastrophe business. Oxbridge Re NS is a non-rated insurer and the risks have been fully collateralized by way of funds held in trust for the benefit of Oxbridge Reinsurance Limited. Oxbridge Re NS is able to provide investors with access to natural catastrophe risk backed by the distribution, underwriting, analysis and research expertise of Oxbridge Re.

The Company has determined that Oxbridge Re NS meets the definition of a VIE as it does not have sufficient equity capital to finance its activities. The Company concluded that it is the primary beneficiary and has consolidated the subsidiary upon its formation, as it owns 100% of the voting shares, 100% of the issued share capital and has a significant financial interest and the power to control the activities of Oxbridge Re NS that most significantly impacts its economic performance. The Company has no other obligation to provide financial support to Oxbridge Re NS. Neither the creditors nor beneficial interest holders of Oxbridge Re NS have recourse to the Company's general credit.

Upon issuance of a series of participating notes by Oxbridge Re NS, all of the proceeds from the issuance are deposited into collateral accounts, to fund any potential obligation under the reinsurance agreements entered into with Oxbridge Reinsurance Limited underlying such series of notes. The outstanding principal amount of each series of notes generally is expected to be returned to holders of such notes upon the expiration of the risk period underlying such notes, unless an event occurs which causes a loss under the applicable series of notes, in which case the amount returned is expected to be reduced by such noteholder's pro rata share of such loss, as specified in the applicable governing documents of such notes. In addition, holders of such notes are generally entitled to interest payments, payable annually, as determined by the applicable governing documents of each series of notes.

In addition, holders of such notes are generally entitled to interest payments, payable annually, as determined by the applicable governing documents of each series of notes.

The Company receives an origination and structuring fee in connection with the formation, operation and management of Oxbridge Re NS.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

6. VARIABLE INTEREST ENTITIES (continued)

Notes Payable to Series 2020-1 noteholders

Oxbridge Re NS entered into a retrocession agreement with Oxbridge Reinsurance Ltd on June 1, 2020 and issued \$ 216,000 of participating notes which provides quota share support for Oxbridge Re's global property catastrophe excess of loss reinsurance business. The participating notes have been assigned Series 2020-1 and matured on June 1, 2023. Participating notes totaling \$98,000 were redeemed during the year ended December 31, 2023 resulting in a balance due of \$118,000 at December 31, 2023. None of the participating notes were redeemed during the three-month period ending March 31, 2024.

The income from Oxbridge Re NS operations that are attributable to the participating notes noteholders for the three-months ended March 31, 2024 and 2023 was \$0.

SurancePlus Inc.

SurancePlus Inc., a indirect wholly-owned subsidiary of Oxbridge Re Holdings Limited, was incorporated as a British Virgin Islands Business Company on December 19, 2022 for the purposes of tokenizing reinsurance contracts underwritten by its affiliated licensed reinsurer, Oxbridge Re NS.

On March 27, 2023, the Company and SurancePlus Inc. ("SurancePlus"), issued a press release announcing the commencement of an offering by SurancePlus of DeltaCat tokenized reinsurance securities (the "Tokens"), which represent Series DeltaCat Preferred Shares of SurancePlus ("Preferred Shares", and together with the Tokens, the "Securities"). Each digital security or token, which will have a purchase price of \$10.00 per Token, will represent one Preferred Share of SurancePlus.

The net proceeds from the offer and sale of the Securities were used by SurancePlus to purchase one or more participating notes of Oxbridge Re NS, and the proceeds from the sale of participating notes were invested in collateralized reinsurance contracts to be underwritten by Oxbridge Re NS. The holders of the digital Securities are generally be entitled to proceeds from the payment of participating notes in the amount of a preferred return of 20% plus an additional 80% of any proceeds in excess of the amount necessary to pay the preferred return.

On June 27, 2023, SurancePlus Inc. completed its private placement (the "Private Placement") of Series DeltaCat Re Preferred Shares represented by DeltaCat Re Tokens (the "Securities"). On June 27, 2023, SurancePlus entered into subscription agreements with accredited investors and non-U.S. persons in the Private Placement with respect to 229,766 of the Securities at a purchase price of \$ 10.00 per token for aggregate gross proceeds of \$2,297,660. SurancePlus also previously entered into subscription agreements for and sold 15,010 of the Securities between April 5, 2023 and May 18, 2023 for gross proceeds of \$150,100, also at a purchase price of \$ 10.00 per token. The aggregate amount raised in the Private Placement was \$2,447,760 for the issuance of 244,776 Securities of which approximately \$1,280,000 was received from third-party investors and approximately \$1,167,000 from Oxbridge Re Holdings Limited. Approximately \$300,000 and \$273,000 of management fees were deducted from the gross proceeds from the third-party investors and Oxbridge Re Holdings Limited, respectively. The tokens were issued on the Avalanche blockchain. Ownership of DeltaCat Re tokenized reinsurance securities indirectly confers fractionalized interests in reinsurance contracts underwritten by Oxbridge Re's reinsurance subsidiary, Oxbridge Re NS, for the 2023-2024 treaty year.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

6. VARIABLE INTEREST ENTITIES (continued)

Notes Payable to Series 2020-1 noteholders (continued)

On March 18, 2024, Oxbridge Re Holdings Limited (the "Company") and its indirect wholly owned subsidiary SurancePlus Inc. ("SurancePlus"), a British Virgin Islands Business Company, announced the commencement of an offering by SurancePlus of Participation Shares (the "Securities") represented by digital tokens to be issued under a 3-year Participation Share Investment Contract (the "PSIC"). The Participation Shares are not shares in SurancePlus and shall have no preemptive right or conversion rights. The Participation Shares solely confer contractual rights against SurancePlus as contained in the PSIC. At the offering's commencement, up to one million (1,000,000) Participation Shares will be issued, represented by digital tokens labelled "EpsilonCat Re". The quantity of Participation Shares to be issued in subsequent years of 2025, and 2026, shall be disclosed prior to their issuances. At the start of the offering, the Participation Shares will be offered at an initial price of \$10.00 per Participation Share.

The net proceeds from the offer and sale of the Participation Shares will be used by SurancePlus to purchase one or more participating notes of Oxbridge Re NS, an affiliated Cayman Islands licensed reinsurance entity, and the proceeds from the sale of such participating notes will be invested in collateralized reinsurance contracts to be underwritten by Oxbridge Re NS. The holders of the Participation Shares will generally be entitled to proceeds from the payment of the participating notes in the amount of a preferred return equal to the initial Participation Share price, plus 20%, and then 80% of any proceeds in excess of the amount necessary to pay the preferred return.

The Securities have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state or other securities laws and may not be offered or sold in the United States absent an effective registration statement or an applicable exemption from registration requirements or a transaction not subject to the registration requirements of the Securities Act or any state or other securities laws. The Securities were sold in a transaction exempt from registration under the Securities Act and were sold only to persons reasonably believed to be accredited investors in the United States under SEC Rule 506(c) under the Securities Act and outside the United States only to non-U.S. persons in accordance with Regulation S under the Securities Act.

The selected unconsolidated historical financial information and other data presented below is derived from SurancePlus' standalone unaudited financial statements for the three months ended March 31, 2024 and the balance sheet data as of March 31, 2024.

	For Three Months Ended March 31, 2024 (Unaudited)
Statement of Operations Data:	
Surance Plus Management fee income	—
Underwriting related income	488
Total revenue	488
Expenses	(13)
Income attributable to tokenholders	(444)
Net income	31
Balance Sheet Data:	
	At March 31, 2024 (Unaudited) (In thousands)
Total assets	4,088
Amounts due to Delta Cat Re Tokenholders *	2,461
Due to Parent	53
Total shareholder's equity	1,575

*includes underwriting profit of \$ 705,000 due to Parent.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

7. RESERVE FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

The following table summarizes the Company's loss and loss adjustment expenses ("LAE") and the reserve for loss and LAE reserve movements for the three-month periods ending March 31, 2024 and 2023:

	At March 31, 2024	At March 31, 2023
	(in thousands)	
Balance, beginning of period	\$ -	\$ 1,073
Incurred related to:		
Current period	-	-
Prior period	-	-
Total incurred	-	-
Paid related to:		
Current period	-	-
Prior period	-	-
Total paid	-	-
Balance, end of period	\$ -	\$ 1,073

When losses occur, the reserves for losses and LAE are typically comprised of case reserves (which are based on claims that have been reported) and IBNR reserves (which are based on losses that are believed to have occurred but for which claims have not yet been reported and include a provision for expected future development on existing case reserves). The Company typically suffers limit losses in the event of a Category 3 or above hurricane making landfall in a populated area where the Company has catastrophe risk exposure. For the three-month periods ended March 31, 2024 and 2023, the Company has recorded its reserves for losses and LAE based on the contractual maximum loss the Company can suffer under the affected contracts.

The uncertainties inherent in the reserving process and potential delays by cedants and brokers in the reporting of loss information, together with the potential for unforeseen adverse developments, may result in the reserve for losses and LAE ultimately being significantly greater or less than the reserve provided at the end of any given reporting period. The degree of uncertainty is further increased when a significant loss event takes place near the

end of a reporting period. Reserve for losses and LAE estimates are reviewed periodically on a contract-by-contract basis and updated as new information becomes known. Any resulting adjustments are reflected in income in the period in which they become known.

The Company's reserving process is highly dependent on the timing of loss information received from its cedants and related brokers.

There were no losses incurred during the three-month periods ended March 31, 2024 and 2023.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

8. (LOSS) EARNINGS PER SHARE

A summary of the numerator and denominator of the basic and diluted (loss) earnings per share is presented below (dollars in thousands except per share amounts):

	Three Months Ended March 31,	
	2024	2023
Numerator:		
Net (loss) income	\$ (905)	142
Denominator:		
Weighted average shares - basic	6,005,162	5,857,643
Weighted average shares - diluted	6,005,162	5,857,643
(Loss) Earnings per share - basic	\$ (0.15)	0.02
(Loss) Earnings per share - basic	\$ (0.15)	0.02

For the three-month period ended March 31, 2024 options to purchase 846,250 ordinary shares and 8,230,700 warrants to purchase an aggregate of 8,230,700 ordinary shares were anti-dilutive due to the net loss during this period.

For the three-month period ended March 31, 2023, options to purchase 846,250 ordinary shares and 8,230,700 warrants to purchase an aggregate of 8,230,700 ordinary shares were anti-dilutive due to the exercise price of these securities, including unrecognized compensation expense, exceeded the average market price of the Company's ordinary shares during the period ended March 31, 2023.

GAAP requires the Company to use the two-class method in computing basic (loss) earnings per share since holders of the Company's restricted stock have the right to share in dividends, if declared, equally with common shareholders. These participating securities effect the computation of both basic and diluted (loss) earnings per share during periods of net (loss) income.

9. WARRANTS

There were 8,230,700 warrants outstanding at March 31, 2024 and December 31, 2023. One warrant may be exercised to acquire one ordinary share at an exercise price equal to \$7.50 per share on or before March 26, 2029. The Company at its option may cancel the warrants in whole or in part, provided that the closing price per ordinary share has exceeded \$9.38 for at least ten trading days within any period of twenty consecutive trading days, including the last trading day of the period. No warrants were exercised during the three month periods ended March 31, 2024 and 2023.

10. DIVIDENDS

For the period ended March 31, 2024, none of the Company's retained earnings were restricted from payment of dividends to the company's shareholders. However, since most of the Company's capital and retained earnings may be invested in its subsidiaries, a dividend from the subsidiaries would likely be required in order to fund a dividend to the Company's shareholders and would require notification to the Cayman Islands Monetary Authority ("CIMA").

Under Cayman Islands law, the use of additional paid-in capital is restricted, and the Company will not be allowed to pay dividends out of additional paid-in capital if such payments result in breaches of the prescribed and minimum capital requirement.

OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

11. SHARE-BASED COMPENSATION

The Company currently has outstanding stock-based awards granted under the 2014 Omnibus Incentive Plan (the "2014 Plan") and the 2021 Omnibus Incentive Plan (the "2021 Plan") (hereinafter collectively referred to as "the Plans"). Under each of the Plans, the Company has discretion to grant equity and cash incentive awards to eligible individuals, including the issuance of up to 1,000,000 of the Company's ordinary shares. During the period ended March 31, 2024, the Company granted 136,427 restricted stock to directors, officers and employees under the 2021 Plan. At March 31, 2024, there were 758,926 shares and 11,750 shares available for grant under the 2021 Plan and the 2014 Plan, respectively.

Stock options

Stock options granted and outstanding under the Plan vests quarterly over four years and are exercisable over the contractual term of ten years.

A summary of the stock option activity for the three-month periods ended March 31, 2024 and 2023 is as follows:

Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value

Outstanding at January 1, 2023	871,250	\$ 4.67	5.6 years	
Forfeited	(25,000)	\$ 6.00		
Outstanding at March 31, 2023	846,250	\$ 4.63	5.5 years	\$ -
Exercisable at March 31, 2023	736,875	\$ 4.43	5.2 years	\$ -
Outstanding at January 1, 2024	846,250	\$ 4.63	4.8 years	\$ -
Outstanding at March 31, 2024	846,250	\$ 4.63	4.5 years	\$ -
Exercisable at March 31, 2024	799,375	\$ 4.55	4.4 years	\$ -

Compensation expense recognized for the three-month periods ended March 31, 2024 and 2023 totaled \$ 5,000 and \$5,000. Compensation expense is included in general and administrative expenses. At March 31, 2024 and 2023, there was approximately \$15,000 and \$35,000, respectively, of total unrecognized compensation expense related to non-vested stock options granted under the Plans. The Company expects to recognize the remaining compensation expense over a weighted-average period of nine (9) months.

Restricted Stock Awards

The Company may grant restricted stock awards to eligible individuals in connection with their service to the Company. The terms of the Company's outstanding restricted stock grants may include service, performance and market-based conditions. The fair value of the awards with market-based conditions is determined using a Monte Carlo simulation method, which calculates many potential outcomes for an award and then establishes fair value based on the most likely outcome. The determination of fair value with respect to the awards with only performance or service-based conditions is based on the value of the Company's stock on the grant date.

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OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

11. SHARE-BASED COMPENSATION (cont'd)

Restricted Stock Awards (cont'd)

During the three-month periods ended March 31, 2024 and 2023, the Company granted 136,427 and 96,647 shares of restricted stock, respectfully to directors and employees under the 2021 Plan. Information with respect to the activity of unvested restricted stock awards during the periods ended March 31, 2024 and 2023 is as follows (share amounts not in thousands):

	Weighted- Number of Restricted Stock Awards	Weighted- Average Grant Date Fair Value
Nonvested at January 1, 2024	46,073	\$ 1.05
Granted	136,427	\$ 1.05
Vested	(34,574)	\$ 1.05
Nonvested at March 31, 2024	<u>147,926</u>	<u>\$ 1.05</u>

	Weighted- Number of Restricted Stock Awards	Weighted- Average Grant Date Fair Value
Nonvested at January 1, 2023	23,000	\$ 2.37
Granted	96,647	\$ 2.37
Vested	(16,250)	\$ 2.37
Nonvested at March 31, 2023	<u>103,397</u>	<u>\$ 2.37</u>

Compensation expense recognized for the three-month periods ended March 31, 2024 and 2023 totaled \$ 67,000 and \$49,000, respectively and is included in general and administrative expenses. At March 31, 2024, there was approximately \$262,000 unrecognized compensation expense related to non-vested restricted stock granted under the Plan, which the Company expects to recognize over a weighted-average period of eleven (11) months.

12. NET WORTH FOR REGULATORY PURPOSES

The subsidiaries are subject to a minimum and prescribed capital requirement as established by CIMA. Under the terms of their respective licenses, Oxbridge Reinsurance Limited and Oxbridge Re NS are required to maintain a minimum and prescribed capital requirement of \$500 in accordance with the relevant subsidiary's approved business plan filed with CIMA.

At March 31, 2024, Oxbridge Reinsurance Limited's net worth of \$ 3,000 exceeded the minimum and prescribed capital requirement. For the three-month periods ended March 31, 2024 and 2023, Oxbridge Reinsurance Limited's net loss was approximately \$1.28 million and \$90,000, respectively.

At March 31, 2024, the Oxbridge Re NS' net worth of \$ 264,000 exceeded the minimum and prescribed capital requirement. For the three-month periods ended March 31, 2024 and 2023 the Oxbridge Re NS' net income was approximately \$41,000 and \$NIL, respectively.

The Subsidiaries are not required to prepare separate statutory financial statements for filing with CIMA, and there were no material differences between the Subsidiaries' GAAP capital, surplus and net (loss) income, and its statutory capital, surplus and net (loss) income as of March 31, 2024 or for the period then ended.

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OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

13. FAIR VALUE AND CERTAIN RISKS AND UNCERTAINTIES

Fair values

With the exception of balances in respect of insurance contracts (which are specifically excluded from fair value disclosures under GAAP) and investment securities as disclosed in Note 4 of these consolidated financial statements, the carrying amounts of all other financial instruments, which consist of cash and cash equivalents, restricted cash and cash equivalents, premiums receivable and other assets, notes payable and accounts payable and other liabilities, approximate their fair values due to their short-term nature.

Concentration of underwriting risk

A substantial portion of the Company's current reinsurance business ultimately relates to the risks of a limited number of entities; accordingly, the Company's underwriting risks are not significantly diversified.

Concentrations of Credit and Counterparty Risk

The Company markets retrocessional and reinsurance policies worldwide through its brokers. Credit risk exists to the extent that any of these brokers may be unable to fulfill their contractual obligations to the Company. For example, the Company is required to pay amounts owed on claims under policies to brokers, and these brokers, in the Company. In some jurisdictions, if a broker fails to make such a payment, the Company might remain liable to the ceding company for the deficiency. In addition, in certain jurisdictions, when the ceding company pays premiums for these policies to brokers, these premiums are considered to have been paid and the ceding insurer is no longer liable to the Company for those amounts, whether or not the premiums have actually been received.

The Company remains liable for losses it incurs to the extent that any third-party reinsurer is unable or unwilling to make timely payments under reinsurance agreements. The Company would also be liable in the event that its ceding companies were unable to collect amounts due from underlying third-party reinsurers.

The Company mitigates its concentrations of credit and counterparty risk by using reputable and several counterparties which decreases the likelihood of any significant concentration of credit risk with any one counterparty.

Market risk

Market risk exists to the extent that the values of the Company's monetary assets fluctuate as a result of changes in market prices. Changes in market prices can arise from factors specific to individual securities or their respective issuers, or factors affecting all securities traded in a particular market. Relevant factors for the Company are both volatility and liquidity of specific securities and markets in which the Company holds investments. The Company has established investment guidelines that seek to mitigate significant exposure to market risk.

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OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

14. LEASES

Operating lease right-of-use assets and operating lease liabilities are disclosed as line in the consolidated balance sheets. We determine if a contract contains a lease at inception and recognize operating lease right-of-use assets and operating lease liabilities based on the present value of the future minimum lease payments at the commencement date. As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. Lease agreements that have lease and non-lease components, are accounted for as a single lease component. Lease expense is recognized on a straight-line basis over the lease term.

The Company has two operating lease obligations namely for the Company's office facilities located at Suite 201, 42 Edward Street Grand Cayman, Cayman Islands and residential space at Turnberry Villas in Grand Cayman, Cayman Islands. The office lease has a remaining lease term of approximately thirty-five (35) months and includes an option to extend the lease. Under the terms of the lease, the Company also has the right to terminate the lease after thirty-six (36) months upon giving appropriate notice in writing to the Lessor. The residential lease has a remaining lease term of approximately nine (9) months.

The components of lease expense and other lease information as of and during the three-month periods ended March 31, 2024 and 2023 are as follows:

(in thousands)	For the Three-Month Period Ended March 31, 2024	For the Three-Month Period Ended March 31, 2023
Operating Lease Cost ⁽¹⁾	\$ 24	\$ 24
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 26	\$ 24
Operating lease right-of-use assets	\$ 148	\$ 9
Operating lease liabilities	\$ 148	\$ 9
Weighted-average remaining lease term - operating leases	2.24 years	0.39 years
Weighted-average discount rate - operating leases	9.19%	7.13%

Future minimum lease payments under non-cancellable leases as of March 31, 2024 and December 31, 2023, reconciled to our discounted

(1) Includes short-term leases

operating lease liability presented on the consolidated balance sheets are as follows:

(in thousands)	At March 31, 2024	At December 31, 2023
Remainder of 2024	80	9
2025	39	-
2026	39	-
2027	6	-
Total future minimum lease payments	\$ 164	\$ 9
Less imputed interest	(16)	-
Total operating lease liability	\$ 148	9

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OXBRIDGE RE HOLDINGS LIMITED AND SUBSIDIARIES
Notes to Consolidated Financial Statements (unaudited)
March 31, 2024

15. RELATED PARTY TRANSACTIONS

DeltaCat Re Tokens

During the year ended December 31, 2023, Mr. Jay Madhu, a director and officer of the Company and its subsidiaries, entered into subscription agreement to purchase a total of 6,200 Series DeltaCat Re tokens at a purchase price of \$ 10.00 per token for aggregate gross proceeds of \$ 62,000. Ownership of DeltaCat Re tokenized reinsurance securities indirectly confers fractionalized interests in reinsurance contracts underwritten by Oxbridge Re NS for the 2023-2024 treaty year.

TypTap Insurance Company ("TypTap") Contract

During the year ended December 31, 2023 the Company entered into a reinsurance agreement with TypTap, an insurance subsidiary of HCI Group, Inc., which is a related entity through common directorship. At March 31, 2024, included within premium receivable, deferred acquisition costs and unearned premiums on the consolidated balance sheets are amounts equal to \$244,000, \$20,000 and \$183,000 respectively, relating to the reinsurance agreement with TypTap. During the three-month period ended March 31, 2024, included within assumed premiums, change in unearned premium reserve and policy acquisition costs and underwriting expenses on the consolidated statements of operations are amounts equal to \$0, (\$275,000) and \$30,000, respectively

Bridge Loan with Affiliate

On September 11, 2023, the Company, along with seven (7) other investors, entered into a binding term sheet ("Bridge Agreement") with Jet.AI to provide Jet.AI with an aggregate sum of \$500,000 of short-term bridge financing pending its receipt of funds from its other existing financing arrangements. During the month of September 2023, and prior to the Bridge Agreement, Jet.AI had engaged in discussions with numerous third parties to secure short-term bridge funding but was not offered terms it found acceptable.

The Bridge Agreement provides for the issuance of Notes in an aggregate principal amount of \$ 625,000, reflecting a 20% original issue discount. The Notes bear interest at 5% per annum and matured on March 11, 2024. Jet.AI is required to redeem the Notes with 100% of the proceeds of any equity or debt financing at a redemption premium of 110% of the principal amount of the Notes. Jet.AI anticipates redeeming the Notes in full with proceeds expected to be received over the next several months from existing financing arrangements.

An event of default under the Notes includes failing to redeem the Notes as provided above and other typical bankruptcy events of Jet.AI. In an event of default, the outstanding principal amount of the Notes will increase by 120%, and the company may convert its Note into shares of common stock of Jet.AI at the conversion price set forth in the Bridge Agreement with registration rights associated with those shares.

The Company invested the sum of \$ 100,000 in the Notes and was previously recorded as "Loan Receivable" on the consolidated balance sheets at cost. On March 11, 2024, the Notes matured and were redeemed by Jet.AI in accordance with the Bridge Agreement. The Company received an aggregate of \$141,000 upon the redemption of the Notes.

16. SUBSEQUENT EVENTS

We evaluate all subsequent events and transactions for potential recognition or disclosure in our consolidated financial statements.

There were no events subsequent to March 31, 2024 for which disclosure was required.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q, including in this Management's Discussion and Analysis, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements generally are identified by the words "believe," "project," "predict," "expect," "anticipate," "estimate," "intend," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in the section entitled "Risk Factors" contained in our Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 26, 2024. We undertake no obligation to publicly update or revise any forward -looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on the forward -looking statements which speak only to the dates on which they were made.

GENERAL

The following is a discussion and analysis of our results of operations for the three-month periods ended March 31, 2024 and 2023 and our

financial condition as of March 31, 2024 and December 31, 2023. The following discussion should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and in our Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 26, 2024. References to "we," "us," "our," "our company," or "the Company" refer to Oxbridge Re Holdings Limited and its wholly-owned subsidiaries, Oxbridge Reinsurance Limited and Oxbridge Re NS, unless the context dictates otherwise.

Overview and Trends

We are a Cayman Islands specialty property and casualty reinsurer that provides reinsurance solutions through our reinsurance subsidiaries, Oxbridge Reinsurance Limited and Oxbridge Re NS. We focus on underwriting fully collateralized reinsurance contracts primarily for property and casualty insurance companies in the Gulf Coast region of the United States, with an emphasis on Florida. We specialize in underwriting medium frequency, high severity risks, where we believe sufficient data exists to analyze effectively the risk/return profile of reinsurance contracts. Oxbridge Re NS functions as a reinsurance sidecar which increases the underwriting capacity of Oxbridge Reinsurance Limited. Oxbridge Re NS issues participating notes to third party investors, the proceeds of which are utilized to collateralize Oxbridge Reinsurance Limited's reinsurance obligations.

In addition to our historical reinsurance business operations, in 2023, our new subsidiary SurancePlus developing, offering, and selling a tokenized reinsurance security representing fractionalized interests in reinsurance contracts, with each token representing an interest in participating notes issued by Oxbridge Re NS. These efforts culminated in the development, launch, and issuance of our first tokenized reinsurance security, the DeltaCat Re Token, which we believe is the first "on-chain" reinsurance security of its kind to be developed by a subsidiary of a public company. Following the issuance of the DeltaCat Re Token, we intend to develop, launch, and issue additional series of tokenized reinsurance securities representing fractional interests in reinsurance contracts, and we are also using our tokenization experience and activities as a foundation for developing Web3-focused business offerings and products relating to the tokenization of other real-world assets (RWAs), including RWAs held or being acquired by third parties. Our tokenization business will be conducted through SurancePlus and through other subsidiaries of our wholly owned subsidiary, SurancePlus Holdings Ltd. ("SurancePlus Holdings"), [a Cayman Islands exempted company] that we have organized to serve as a holding company for subsidiaries that will operate our developing Web3-focused business operations.

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In our historical reinsurance business operations, we underwrite reinsurance contracts on a selective and opportunistic basis as opportunities arise based on our goal of achieving favorable long-term returns on equity for our shareholders. Our goal is to achieve long-term growth in book value per share by writing business that generates attractive underwriting profits relative to the risk we bear. Additionally, we intend to complement our underwriting profits with investment profits on an opportunistic basis. Our underwriting business focus is on fully collateralized reinsurance contracts for property catastrophes, primarily in the Gulf Coast region of the United States. Within that market and risk category, we attempt to select the most economically attractive opportunities across a variety of property and casualty insurers. As we attempt to grow our capital base, we expect that we will consider further growth opportunities in other geographic areas and risk categories.

Our level of profitability is primarily determined by how adequately our premiums assumed and investment income cover our costs and expenses, which consist primarily of acquisition costs and other underwriting expenses, claim payments and general and administrative expenses. One factor leading to variation in our operational results is the timing and magnitude of any follow-on offerings we undertake (if any), as we are able to deploy new capital to collateralize new reinsurance treaties and consequently, earn additional premium revenue. In addition, our results of operations may be seasonal in that hurricanes and other tropical storms typically occur during the period from June 1 through November 30. Further, our results of operations may be subject to significant variations due to factors affecting the property and casualty insurance industry in general, which include competition, legislation, regulation, general economic conditions, judicial trends, and fluctuations in interest rates and other changes in the investment environment.

Because we employ an opportunistic underwriting and investment philosophy, period-to-period comparisons of our underwriting results may not be meaningful. In addition, our historical investment results may not necessarily be indicative of future performance. Due to the nature of our reinsurance and investment strategies, our operating results will likely fluctuate from period to period.

Compared to most of our competitors, we are small and have low overhead expenses. We believe that our expense efficiency, agility and existing relationships support our competitive position and allows us to profitably participate in lines of business that fit within our strategy. Over time we expect our expense advantage to erode as the industry acts to reduce frictional costs.

Recent Developments

Formation of SurancePlus

SurancePlus, an indirect wholly-owned subsidiary of the Company, was incorporated as a British Virgin Islands Business Company on December 19, 2022 for the purpose of tokenizing reinsurance contracts underwritten by its affiliated licensed reinsurer, Oxbridge Re NS.

On March 27, 2023, we, through SurancePlus, issued a press release announcing the commencement of an offering by SurancePlus of up to \$5.0 million of DeltaCat Re Tokens with a purchase price of \$10.00 per DeltaCat Re Token and representing one share of Series DeltaCat Re Preferred Shares per DeltaCat Re Token (the "Private Placement").

On June 27, 2023, SurancePlus completed the Private Placement. The aggregate amount raised in the Private Placement was \$2,447,760 for the issuance of 244,776 DeltaCat Re Tokens, of which approximately \$1,280,000 was received from third-party investors and approximately \$1,167,000 was received from Oxbridge Re Holdings Limited.

On September 11, 2023, the DeltaCat Re tokens were reclassified as tokenized interests carrying rights equivalent to the DeltaCat Re Preferred Shares in accordance with the provisions of British Virgin Islands law.

On March 18, 2024, Oxbridge Re Holdings Limited (the "Company") and its indirect wholly owned subsidiary SurancePlus Inc. ("SurancePlus"), a British Virgin Islands Business Company, announced the commencement of an offering by SurancePlus of Participation Shares (the "Securities") represented by digital tokens to be issued under a 3-year Participation Share Investment Contract (the "PSIC"). The Participation Shares are not shares in SurancePlus and shall have no preemptive right or conversion rights. The Participation Shares solely confer contractual rights against SurancePlus as contained in the PSIC. At the offering's commencement, up to one million (1,000,000) Participation Shares will be issued, represented by digital tokens labelled "EpsilonCat Re". The quantity of Participation Shares to be issued in subsequent years of 2025, and 2026, shall be disclosed prior to their issuances. At the start of the offering, the Participation Shares will be offered at an initial price of \$10.00 per Participation Share.

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The net proceeds from the offer and sale of the Participation Shares will be used by SurancePlus to purchase one or more participating notes of Oxbridge Re NS, an affiliated Cayman Islands licensed reinsurance entity, and the proceeds from the sale of such participating notes will be invested in collateralized reinsurance contracts to be underwritten by Oxbridge Re NS. The holders of the Participation Shares will generally be entitled to proceeds from the payment of the participating notes in the amount of a preferred return equal to the initial Participation Share price, plus 20%, and then 80% of any proceeds in excess of the amount necessary to pay the preferred return.

Oxbridge Acquisition Corp.

On February 28, 2023, the Company announced in a press release that Oxbridge Acquisition filed a Current Report on Form 8-K with the Securities and Exchange Commission in connection with Oxbridge Acquisition's business combination with Jet Token Inc. ("Jet"), a Delaware based company. Upon the closing of the transaction, the combined company will be named Jet.AI Inc. Jet offers fractional aircraft ownership, jet card, aircraft brokerage and charter service through its fleet of private aircraft and those of Jet's Argus Platinum operating partner. Jet's charter app enables travelers to look, book and fly. The funding and capital markets access from this transaction is expected to enable Jet to continue its growth strategy of AI software development and fleet expansion. The business combination was completed on August 10, 2023.

The Company's wholly-owned licensed reinsurance subsidiary, Oxbridge Reinsurance Limited ("Oxbridge Reinsurance"), is the lead investor in Oxbridge Acquisition's sponsor and holds the equivalent of 1,426,180 of Jet.AI Inc's common stock (NASDAQ: JTAI) and 3,094,999 of Jet.AI Inc.'s warrants (NASDAQ:JTAIW).

Bridge Loan with Affiliate

On September 11, 2023, the Company, along with seven (7) other investors, entered into a binding term sheet ("Bridge Agreement") with Jet.AI to provide Jet.AI with an aggregate sum of \$500,000 of short-term bridge financing pending its receipt of funds from its other existing financing arrangements. During the month of September 2023, and prior to the Bridge Agreement, Jet.AI had engaged in discussions with numerous third parties to secure short-term bridge funding but was not offered terms it found acceptable.

The Bridge Agreement provides for the issuance of Notes in an aggregate principal amount of \$625,000, reflecting a 20% original issue discount. The Notes bear interest at 5% per annum and matured on March 11, 2024. Jet.AI is required to redeem the Notes with 100% of the proceeds of any equity or debt financing at a redemption premium of 110% of the principal amount of the Notes. Jet.AI anticipates redeeming the Notes in full with proceeds expected to be received over the next several months from existing financing arrangements.

An event of default under the Notes includes failing to redeem the Notes as provided above and other typical bankruptcy events of Jet.AI. In an event of default, the outstanding principal amount of the Notes will increase by 120%, and the company may convert its Note into shares of common stock of Jet.AI at the conversion price set forth in the Bridge Agreement with registration rights associated with those shares.

The Company invested the sum of \$100,000 in the Notes and was previously recorded as "Loan Receivable" on the consolidated balance sheets at cost. On March 11, 2024, the Notes matured and were redeemed by Jet.AI in accordance with the Bridge Agreement. The Company received an aggregate of \$141,000 upon the redemption of the Notes.

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PRINCIPAL REVENUE AND EXPENSE ITEMS

Revenues

We derive our most significant revenues from three principal sources:

- premiums assumed from reinsurance on property and casualty business;
- income from investments and unrealized (loss) gain on other investments;
- income from SurancePlus management fees.

Premiums Assumed

Premiums assumed include all premiums received by a reinsurance company during a specified accounting period, even if the policy provides coverage beyond the end of the period. Premiums are earned over the term of the related policies. At the end of each accounting period, the portion of the premiums that are not yet earned are included in the unearned premiums reserve and are realized as revenue in subsequent periods over the remaining term of the policy. Our policies typically have a term of twelve months. Thus, for example, for a policy that is written on July 1, 2023, typically one-half of the premiums will be earned in 2023 and the other half will be earned during 2024. However, in the event of limit losses on our policies, premium recognition will be accelerated to match losses incurred in the period, when there is no possibility of any future treaty-year losses under the contracts.

Premiums from reinsurance on property and casualty business assumed are directly related to the number, type and pricing of contracts we write.

Premiums assumed are recorded net of change in loss experience refund, which consists of changes in amounts due to the cedants under two of our reinsurance contracts. These contracts contain retrospective provisions that adjust premiums in the event losses are minimal or zero. We recognize a liability pro-rata over the period in which the absence of loss experience obligates us to refund premiums under the contracts, and we will derecognize such liability in the period in which a loss experience arises. The change in loss experience refund is negatively correlated to loss and loss adjustment expenses described below.

Investment Income

Income from our investments is primarily comprised of net realized and unrealized (losses) gains interest income and dividends on investment securities. Such income is primarily from the Company's investments, which includes other investments in Jet.AI and investments held in trust accounts that collateralize the reinsurance policies that we write. The investment parameters for trust accounts are generally established by the cedant for the relevant policy.

Incentive, Technology, Origination and Management Fee Income

During the year ending December 31, 2023, the Company's subsidiary, SurancePlus Inc., entered into subscriptions agreements for the sale of its Series DeltaCat Re tokens, representing fractionalized interest in reinsurance contracts underwritten by Oxbridge Re NS. The tokens were issued on the Avalanche blockchain.

SurancePlus receives an incentive and management fee to cover costs associated with origination, structuring and the blockchain technology related to the tokens. These fees are included in SurancePlus management fee line item in the consolidated statement of operations.

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Expenses

Our expenses consist primarily of the following:

- losses and loss adjustment expenses;
- policy acquisition costs and underwriting expenses; and
- general and administrative expenses.

Loss and Loss Adjustment Expenses

Loss and loss adjustment expenses are a function of the amount and type of reinsurance contracts we write and of the loss experience of the underlying coverage. As described below, loss and loss adjustment expenses are based on the claims reported by our Company's ceding insurers, and may include an actuarial analysis of the estimated losses, including losses incurred during the period and changes in estimates from prior periods. Depending on the nature of the contract, loss and loss adjustment expenses may be paid over a period of years.

Policy Acquisition Costs and Underwriting Expenses

Policy acquisition costs and underwriting expenses consist primarily of brokerage fees, ceding commissions, premium taxes and other direct expenses that relate to our writing of reinsurance contracts. We amortize deferred acquisition costs over the related contract term.

General and Administrative Expenses

General and administrative expenses consist of salaries and benefits and related costs, including costs associated with our professional fees, rent and other general operating expenses consistent with operating as a public company.

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RESULTS OF OPERATIONS

The following is our consolidated statement of operations and performance ratios for the three-month periods ended March 31, 2024 and 2023 (dollars in thousands, except per share amounts):

	Three Months Ended March 31,	
	2024	2023
Revenue		
Net premiums earned	549	-
Net investment and other income	62	89
Interest and gain on redemption of loan	41	-
Unrealized (loss) gain on other investments	(688)	381
Change in fair value of equity securities	(89)	76
Total revenue	(125)	546
Expenses		
Policy acquisition costs and underwriting expenses	60	-
General and administrative expenses	488	404
Total expenses	548	404
(Loss) income before income attributable to noteholders	(673)	142
Income attributable to noteholders	(232)	-
Net (loss) income	(905)	142
(Loss) Earnings per share		
Basic and Diluted	(0.15)	0.02
Weighted-average shares outstanding		
Basic and Diluted	6,005,162	5,857,643
Performance ratios to net premiums earned:		
Loss ratio	0.0%	0.0%
Acquisition cost ratio	10.9%	0.0%
Expense ratio	99.8%	0.0%
Combined ratio	99.8%	0.0%

General. Net loss for the quarter ended March 31, 2024 was \$905,000, or (\$0.15) basic and diluted earnings per share compared to a net earnings of \$142,000, or \$0.02 basic and diluted earnings per share, for the quarter ended March 31, 2023. The decrease is primarily due to the negative change in the fair value of equity securities and investments during the quarter ended March 31, 2024 when compared with the prior period.

Premium Income. Net premiums earned typically reflects the pro rata inclusion into income of premiums assumed over the life of the reinsurance contracts.

Net premiums earned for the quarter ended March 31, 2024 increased to \$549,000 from \$0 for the quarter ended March 31, 2023. The increase is due to the contracts that were in force in the quarter ended March 31, 2024, as opposed to the prior period in which premiums were accelerated prior to the quarter ending March 31, 2023 as a result of losses incurred from Hurricane Ian.

Losses Incurred. There were no losses incurred during the three-month periods ending March 31, 2024 and 2023.

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Policy Acquisition Costs. Acquisition costs represent the amortization of the brokerage fees and federal excise taxes incurred on reinsurance contracts placed. Policy acquisition costs for the quarter ended March 31, 2024 increased to \$60,000 from \$0 for the quarter ended March 31, 2023. The increase is due to the contracts in force in the quarter ended March 31, 2024, as opposed to the prior period in which premiums and policy acquisition costs were accelerated prior to the quarter ending March 31, 2023 as a result of losses incurred from Hurricane Ian.

General and Administrative Expenses. General and administrative expenses for the quarter ended March 31, 2024 increased to \$488,000, from \$404,000 for the quarter ended March 31, 2023. The increase is due to professional and legal expenses incurred during the three-month period ending March 31, 2024.

MEASUREMENT OF RESULTS

We use various measures to analyze the growth and profitability of business operations. For our reinsurance business, we measure growth in terms of premiums assumed and we measure underwriting profitability by examining our loss, underwriting expense and combined ratios. We analyze and measure profitability in terms of net income and return on average equity.

Premiums Assumed. We use gross premiums assumed to measure our sales of reinsurance products. Gross premiums assumed also correlate to our ability to generate net premiums earned.

Loss Ratio. The loss ratio is the ratio of losses and loss adjustment expenses incurred to premiums earned and measures the underwriting profitability of our reinsurance business. The loss ratio remained consistent at 0% for the quarter end March 31, 2024 compared with the quarter ended March 31, 2023.

Acquisition Cost Ratio. The acquisition cost ratio is the ratio of policy acquisition costs and other underwriting expenses to net premiums earned. The acquisition cost ratio measures our operational efficiency in producing, underwriting and administering our reinsurance business.

The acquisition cost ratio increased to 10.9% for the three-month period ended March 31, 2024, from 0% for the three-month period ended March 31, 2023. The increase is primarily to premiums being earned during the period ending March 31, 2024, when compared with the prior period.

Expense Ratio. The expense ratio is the ratio of policy acquisition costs, other underwriting expenses and general and administrative expenses to net premiums earned. We use the expense ratio to measure our operating performance. The expense ratio increased from 0.0% for the three-month period ended March 31, 2023 to 99.8% for the three-month period ended March 31, 2024. The increase is due to higher general administrative expenses incurred during the three-month period ended March 31, 2024, when compared with the prior period.

Combined Ratio. We use the combined ratio to measure our underwriting performance. The combined ratio is the sum of the loss ratio and the expense ratio. The combined ratio increased from 0% for the three-month period ended March 31, 2023 to 99.8% for the three-month period ended March 31, 2024. The increase is due to higher general administrative expenses incurred during the three-month period ended March 31, 2024, when compared with the prior period.

FINANCIAL CONDITION -MARCH 31, 2024 COMPARED TO DECEMBER 31, 2023

Restricted Cash and Cash Equivalents. As of March 31, 2024, our restricted cash and cash equivalents increased by \$604,000, or 15.7%, to \$4.3 million, from \$3.7 million as of December 31, 2023. The increase is the result of premium deposits made during the three months ended March 31, 2024.

Investments. As of March 31, 2024, our total investments decreased by \$396,000 or 58% to \$284,000, from \$680,000 as of December 31, 2023. The decrease is primarily a result of the sale of two equity securities and the decrease in value of the equity securities during the three-month period ended March 31, 2024.

Other investments. As of March, 31, 2024, our other investments decreased \$688,000 to \$1.79 million from \$2.48 million at December 31, 2023. The decrease is due to fair value changes of our investment in Jet.AI in which the Company has an equity investment measured at fair value.

Notes Payable to Noteholders. As of March 31, 2024, our notes payable remained at \$118,000 as there were no redemptions during the period.

Loan receivable. As of March 31, 2024, our loan receivable reduced from \$100,000 to \$0 as the loan note was paid off in full.

LIQUIDITY AND CAPITAL RESOURCES

General

We are organized as a holding company and provide administrative and management services to our subsidiaries. Our operations are conducted through our reinsurance subsidiaries, Oxbridge Reinsurance Limited and Oxbridge Re NS and our web3 focused subsidiary SurancePlus Inc. which underwrites risks associated with our property and casualty reinsurance programs as well as the tokenization of RWAs such as Reinsurance contracts. We have minimal continuing cash needs at the holding company level, with such needs principally being related to the payment of administrative expenses and shareholder dividends. There are restrictions on Oxbridge Reinsurance Limited's and Oxbridge Re NS' ability to pay dividends which are described in more detail below.

Sources and Uses of Funds

Our sources of funds primarily consist of premium receipts (net of brokerage fees and federal excise taxes, where applicable) and investment income, including interest, dividends and realized gains. We use cash to pay losses and loss adjustment expenses, other underwriting expenses, dividends, and general and administrative expenses. Substantially all our surplus funds, net of funds required for cash liquidity purposes, are invested in accordance with our business plan and investment guidelines. Our investment portfolio, except for our investment in Jet.AI, is primarily comprised of cash and highly liquid securities, which can be liquidated, if necessary, to meet current liabilities. We believe that we have sufficient flexibility to liquidate any securities that we own to generate liquidity.

As of March 31, 2024, we believe we had sufficient cash flows from operations to meet our liquidity requirements. We expect that our operational needs for liquidity will be met by cash, investment income and funds generated from underwriting activities. We have no plans to issue debt, and we expect to fund our operations for the foreseeable future from operating cash flows, as well as from potential future equity offerings. However, we cannot provide assurances that in the future we will not incur indebtedness to implement our business strategy, pay claims or make acquisitions.

Although Oxbridge Re Holdings Limited is not subject to any significant legal prohibitions on the payment of dividends, its subsidiaries Oxbridge Reinsurance Limited and Oxbridge Re NS are subject to Cayman Islands regulatory constraints that affect its ability to pay dividends to us and include a minimum net worth requirement. Currently, the minimum net worth requirement for each subsidiary is \$500. As of March 31, 2024, each subsidiary exceeded the minimum required. By law, each subsidiary is restricted from paying a dividend if such a dividend would cause its net worth to drop to less

than the required minimum.

Cash Flows

Our cash flows from operating, investing, and financing activities for the three-month periods ended March 31, 2024 and 2023 are summarized below.

Cash Flows for the Three months ended March 31, 2024 (in thousands)

Net cash provided by operating activities for the three months ended March 31, 2024 totaled \$119, which consisted primarily of cash received net written premiums less cash disbursed for operating expenses. Net provided by investing activities of \$448 which was due to the repayment of the note receivable by Jet.AI and the proceeds from the sale of two of our equity securities. Net cash used provided financing activities was \$0.

Cash Flows for the Three months ended March 31, 2023 (in thousands)

Net cash used in operating activities for the three months ended March 31, 2023 totaled \$140, which consisted primarily of cash received net written premiums less cash disbursed for operating expenses. Net cash used in investing activities of \$5 was primarily due to the purchase of property and equipment. Net cash used in financing activities was \$163 which was due to the partial redemption on Oxbridge Re NS participating notes as well as prepaid offering costs.

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2024, we had no off-balance sheet arrangements as defined in Item 303(a)(4) of Regulation S-K.

EXPOSURE TO CATASTROPHES

As with other reinsurers, our operating results and financial condition could be adversely affected by volatile and unpredictable natural and man-made disasters, such as hurricanes, windstorms, earthquakes, floods, fires, riots and explosions. Although we attempt to limit our exposure to levels, we believe are acceptable, it is possible that an actual catastrophic event or multiple catastrophic events could have a material adverse effect on our financial condition, results of operations and cash flows. As described under "CRITICAL ACCOUNTING POLICIES—Reserves for Losses and Loss Adjustment Expenses" below, under accounting principles generally accepted in the United States of America ("GAAP"), we are not permitted to establish loss reserves with respect to losses that may be incurred under reinsurance contracts until the occurrence of an event which may give rise to a claim. As a result, only loss reserves applicable to losses incurred up to the reporting date may be established, with no provision for a contingency reserve to account for expected future losses.

CRITICAL ACCOUNTING POLICIES

We are required to make estimates and assumptions in certain circumstances that affect amounts reported in our consolidated financial statements and related footnotes. We evaluate these estimates and assumptions on an on-going basis based on historical developments, market conditions, industry trends and other information that we believe to be reasonable under the circumstances. These accounting policies pertain to fair value measurements, particular with respect to our beneficial interest in Jet.AI., premium revenues and risk transfer, reserve for loss and loss adjustment expenses, and deferred acquisition costs.

Fair value measurement: GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GAAP are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

and

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. For fixed maturity securities, inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, broker quotes for similar securities and other factors. The fair value of investments in stocks and exchange-traded funds is based on the last traded price. The fair value of our indirect investment in Oxbridge Acquisition Corp. is based on the fair value calculation made by an independent valuation expert utilizing observable and unobservable inputs. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Company's investment custodians and management. The investment custodians and management consider observable data to be market data, which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant markets. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument, as well as the marketability of the instrument and the risk of forfeiture of such instrument.

Premium Revenue and Risk Transfer. We record premiums revenue as earned pro-rata over the terms of the reinsurance agreements and the unearned portion at the balance sheet date is recorded as unearned premiums reserve. A reserve is made for estimated premium deficiencies to the extent that estimated losses and loss adjustment expenses exceed related unearned premiums. Investment income is not considered in determining whether or not a deficiency exists.

We account for reinsurance contracts in accordance with ASC 944, "Financial Services – Insurance." Assessing whether or not a reinsurance contract meets the conditions for risk transfer requires judgment. The determination of risk transfer is critical to reporting premiums written. If we determine that a reinsurance contract does not transfer sufficient risk, we must account for the contract as a deposit liability.

Reserves for Losses and Loss Adjustment Expenses. We determine our reserves for losses and loss adjustment expenses on the basis of the claims reported by our ceding insurers and for losses IBNR, we use the assistance of an independent actuary. The reserves for losses and loss

adjustment expenses represent management's best estimate of the ultimate settlement costs of all losses and loss adjustment expenses.

We believe that the amounts are adequate; however, the inherent impossibility of predicting future events with precision, results in uncertainty as to the amount which will ultimately be required for the settlement of losses and loss expenses, and the differences could be material. Adjustments are reflected in the consolidated statements of income in the period in which they are determined.

Under GAAP, we are not permitted to establish loss reserves until the occurrence of an actual loss event. As a result, only loss reserves applicable to losses incurred up to the reporting date may be recorded, with no allowance for the provision of a contingency reserve to account for expected future losses. Losses arising from future events, which could be substantial, are estimated and recognized at the time the loss is incurred.

As at March 31, 2024 we had no reserves for loss and loss adjustment expenses due to no significant events occurring during the year and no reported claims on contract in force. See Note 7 to the consolidated financial statements.

Our reserving methodology does not lend itself well to a statistical calculation of a range of estimates surrounding the best point estimate of our reserve for loss and loss adjustment expense. Due to the low frequency and high severity nature of claims within much of our business, our reserving methodology principally involves arriving at a specific point estimate for the ultimate expected loss on a contract-by-contract basis, and our aggregate loss reserves are the sum of the individual loss reserves established.

Deferred Acquisition Costs. We defer certain expenses that are directly related to and vary with producing reinsurance business, including brokerage fees on gross premiums assumed, premium taxes and certain other costs related to the acquisition of reinsurance contracts. These costs are capitalized and the resulting asset, deferred acquisition costs, is amortized and charged to expense in future periods as premiums assumed are earned. The method followed in computing deferred acquisition costs limits the amount of such deferral to its estimated realizable value. The ultimate recoverability of deferred acquisition costs is dependent on the continued profitability of our reinsurance underwriting. If our underwriting ceases to be profitable, we may have to write off a portion of our deferred acquisition costs, resulting in a further charge to income in the period in which the underwriting losses are recognized.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company as defined by Rule 229.10(f)(1) of the Exchange Act, we are not required to provide the information under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our Chief Executive Officer (our principal executive officer) and our Chief Financial Officer (our principal financial officer), we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2024 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

We are not currently involved in any litigation or arbitration. We anticipate that, similar to the rest of the insurance and reinsurance industry, we will be subject to litigation and arbitration in the ordinary course of business.

Item 1A. Risk Factors

There have been no material changes to our risk factors during the three months ended March 31, 2024. However, we draw attention to the below risk factors relating to our investment in Jet.AI Inc. that can have a material impact on our earnings and shareholders' equity in the near term.

Our use of fair value accounting of our significant investment in Jet.AI Inc. could result in income statement volatility, which in turn, could cause significant market price and trading volume fluctuations for our securities.

Our significant beneficial interests in Jet.AI Inc.'s common stock and public warrants are recorded at fair value with changes in fair value being recorded in the consolidated statement of operations during the period of change. Additionally, the fair value of the investment must be remeasured quarterly. Because of this, and due to significance of our investment in Jet.AI relative to our total assets, our earnings may experience greater volatility in the future as a decline in the fair value of our investment in Jet.AI Inc. could significantly reduce both our earnings and shareholders' equity, which in turn, could cause significant market price and trading volume fluctuations for our securities.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Sales of Unregistered Securities

None.

(b) Repurchases of Equity Securities

None.

(c) Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

The following exhibits are filed herewith:

Exhibit No. Document

31.1 [Certifications of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14\(a\) or 15d-14\(a\) under the Securities Exchange Act of 1934.](#)

31.2 [Certifications of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14\(a\) or 15d-14\(a\) under the Securities Exchange Act of 1934.](#)

32 [Written Statement of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. §1350.](#)

101 The following materials from Oxbridge Re Holdings Limited's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 are filed herewith, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Changes in Shareholders' Equity and (vi) the Notes to Consolidated Financial Statements.

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SIGNATURES

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

OXBRIDGE RE HOLDINGS LIMITED

Date: May 9, 2024

By: /s/ JAY MADHU

Jay Madhu
Chief Executive Officer and President
(Principal Executive Officer)

Date: May 9, 2024

By: /s/ WRENDON TIMOTHY

Wrendon Timothy
Chief Financial Officer and Secretary
(Principal Financial Officer and Principal
Accounting Officer)

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**Certifications of the Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and
Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934**

I, Jay Madhu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Oxbridge Re Holdings Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By: /s/ JAY MADHU

Jay Madhu
Chief Executive Officer and President
(Principal Executive Officer)

**Certifications of the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and
Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934**

I, Wrendon Timothy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Oxbridge Re Holdings Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal

By: /s/ WRENDON TIMOTHY

Wrendon Timothy
Chief Financial Officer and Secretary
(Principal Financial Officer and Principal
Accounting Officer)

**Written Statement of the Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. §1350**

Solely for the purposes of complying with 18 U.S.C. §1350, we, the undersigned Chief Executive Officer and Chief Financial Officer of Oxbridge Re Holdings Limited (the "Company"), hereby certify, based on our knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JAY MADHU

Jay Madhu
Chief Executive Officer and President
(Principal Executive Officer)

/s/ WRENDON TIMOTHY

Wrondon Timothy
Chief Financial Officer and Secretary
(Principal Financial Officer and Principal
Accounting Officer)
Date: May 9, 2024
