

EXECUTIVE SUMMARY
ANNUAL MEETING OF MEMBERS
SAPPHIRE EDGE, INC.
MARCH 31, 2025

At its meeting on Monday, March 31, 2025, the Members of Sapphire Edge, Inc. took the following actions:

1. Received the Annual Report of the Board Chair and President and the Annual Report of the Treasurer. Approved the actions taken by the Board of Directors since the last Annual Meeting of Members.
2. Elected the slate of candidates for Directors consisting of Mr. Rama Kolli, Mr. Ron Rowe, Ms. Gretchen Twohig, Mr. Chad Werner and Ms. Joni Wheeler for one-year terms expiring in March 2026.
3. Approved the Minutes of the Annual Meeting of Members held on March 25, 2024 and approved an indemnification resolution.

MINUTES
ANNUAL MEETING OF MEMBERS
SAPPHIRE EDGE, INC.
MARCH 31, 2025

The Annual Meeting of Members of Sapphire Edge, Inc. (SEI or the Company) was held on Monday, March 31, 2025, at 4:30 p.m., via conference call. Mr. Ron Rowe, Board Chair, presided at the meeting. As Chair, Mr. Rowe was designated to be the Board's representative at the meeting.

Mr. Rowe welcomed participants to the annual meeting of members.

Mr. Cameron Arch advised the Company sent the Notice of Annual Meeting, which included instructions on how to obtain information on those standing for election and a proxy card to 19,952 Members: 1,256 Members returned written votes, and 1,185 Members voted for the slate of candidates for election to the Board of Directors. There were 0 Members present on the call. Board Members and Company Officers present on the call included: Mr. Rama Kolli, Ms. Gretchen Twohig, Mr. Jeff Russell, Mr. Ron Rowe, Mr. Chad Werner, Ms. Joni Wheeler and Ms. Kristi Wolff.

The meeting was called to order at 4:30 p.m., and Mr. Arch confirmed a quorum was present. The following business was conducted:

1. Report of the Board Chair and President and the Report of the Treasurer

Mr. Rowe, Board Chair and SEI President, stated the Report of the Chair and President includes significant actions taken by the Board of Directors at its 2024 meetings, is contained in the meeting materials and waived the reading of this report.

Mr. Werner, Treasurer, stated that the Treasurer's Report is contained in the meeting materials and waived the reading of this report.

Each report is attached as Attachment 1 and 2 respectively and made a part of these minutes.

There was no discussion. Whereupon,

It was moved and seconded that the Annual Report of the Board Chair and President including the actions taken by the Board of Directors since the last Annual Meeting of Members and the Report of the Treasurer are approved.

The motion passed unanimously.

2. Election of Directors

Mr. Arch confirmed there were no additional nominations received in accordance with the procedures required by the Company's Bylaws.

Mr. Rowe reported consistent with the policies and procedures set forth in the Company's Bylaws and with the approval of the Board of Directors, the following individuals are recommended to serve on the Board of Directors for terms ending in March 2026, subject to the limitations of the Bylaws: Mr. Rama Kolli, Mr. Ron Rowe, Ms. Gretchen Twohig, Ms. Joni Wheeler and Mr. Chad Werner.

There was no discussion. Whereupon,

It was moved and seconded to elect Mr. Rama Kolli, Mr. Ron Rowe, Ms. Gretchen Twohig, Mr. Chad Werner and Ms. Joni Wheeler to serve as Directors, each for a one-year term expiring March 2026.

The motion passed unanimously.

3. Business Items

Mr. Arch noted the Minutes of the Annual Meeting of Members held on March 25, 2024 have been reduced to writing, are on file and have been available for reading for the past 12 months.

Mr. Arch stated the resolution of indemnification of Directors, Officers, and employees was provided in the meeting materials. This indemnification is provided to the fullest extent of the law and in accordance with the Company's Articles of Incorporation. Whereupon,

It was moved and seconded to approve the Minutes of the 2024 Annual Meeting of Members and to approve the indemnification resolution.

The motion passed unanimously.

There being no further business to come before the Members, the meeting was adjourned at 4:39 p.m.

Respectfully submitted,

Cameron Arch,
Corporate Secretary

Annual Meeting of Members

Report of the Board Chair—Sapphire Edge, Inc.

March 2025

As the chair of the Sapphire Edge, Inc. (SEI) board of directors, it is my pleasure to present my report for this year's Annual Meeting of Members. SEI is a wholly owned subsidiary of Blue Cross and Blue Shield of Nebraska (BCBSNE).

2024 was a strong enrollment year for BCBSNE's Medicare Advantage (MA) plans. At year end, our statewide individual contract enrollment totaled 19,013 members. Our county footprint remained the same, with our MA products available in 76 out of 93 Nebraska counties.

The Centers for Medicare & Medicaid Services (CMS) awarded both of BCBSNE's Medicare Advantage PPO plans with a 4-star rating and our HMO plans with a 3.5-star rating. Medicare Star Ratings are issued by CMS annually and rate MA health plans on a scale of one to five stars, with five being the highest. Star ratings measure the experiences Medicare members have with their health plan and are based on more than 40 quality measures.

In 2025, we will continue to focus on efficiently and effectively managing the administration of the MA program, including accurate risk scoring, promotion of cost-effective prescription drug adherence and improved patient outcomes.

Overview of actions of the SEI board of directors in 2024

The SEI board of directors met four times in 2024. The meetings focused on financial governance, quality of care for members, operations, CMS compliance and planning for future growth.

SEI board members are Rama Kolli, Ron Rowe, Gretchen Twohig, Chad Werner and Joni Wheeler.

Respectfully,

Ron Rowe

Chair, SEI Board of Directors

Annual Meeting of Members

Report of the Treasurer—Sapphire Edge, Inc.

March 2025

As the treasurer and chief financial officer of Sapphire Edge, Inc. (SEI), it is my pleasure to present my report for this year's Annual Meeting of Members. In 2024, SEI entered its eighth year of operations. In 2024 we concentrated on providing quality services for our members while investing in growth for the future.

2024 financial overview on a direct basis

- **Direct Membership:** Increased by 8% over prior year due to a successful annual enrollment period in 2023.
- **Gross Margin:** Decreased by \$8.4 million compared to the prior year, due to higher-than-expected claim costs.
- **Medical Loss Ratio (MLR):** Increased to 110%, up 7.5% year over year.
- **Administrative Expenses:** Increased \$3.9 million year over year due to expenses incurred to bring operations in-house.
- **Gain/Loss from Operations:** Loss from operations of (\$28.4) million.
- **Investment Income:** Increased year over year due to favorable market conditions.
- **Operating Margin:** -27% for the year.
- **One-Time Charge:** The one-time charge for expenses related to bringing operations in-house was \$11.9 million. All financial numbers in the 2024 financial overview on a direct basis section above exclude this charge.

We made significant investments in the business in 2024. These investments led to a strong sales year, growing our membership to 20,000 at the beginning of 2025. We look forward to continuing to deliver on our mission of being champions for the health and well-being of our members and the communities we serve.

Respectfully,

Chad Werner
Treasurer and Chief Financial Officer