



Saab Grayling Facility Q&A December 2024

Facility

1. What is Saab planning to build in Grayling?

Saab is planning on building a facility that will be used for final assembly of shoulder-fired munitions and precision fires weapon systems. This will be a world-class, advanced manufacturing and engineering facility.

It is important to note that the facility will be used for final assembly. We are not producing explosives; i.e. we are **not** gathering raw materials, manufacturing energetics (propellants and explosives), or putting these energetics into a warhead. The assembly (aka "LAP" Load Assembly Pack) process is the safest process and the least risk of producing any pollution.

2. Will this expand Camp Grayling?

No. The site is 3.5 miles from Camp Grayling. The facility will be on land zoned for development, surrounded primarily by other land zoned for industrial or commercial development.

3. When will the facility open?

We expect the facility to be open for operations in 2026.

4. How many jobs will be created?

We will hire locally for upper management, middle management and skilled workers, especially assemblers. Recruitment will likely begin in 2025 and the facility will officially open in 2026. We expect employment of at least 70 full time positions.

There will also be a significant, positive economic impact as part of the facility's construction.

There will not be any jobs for this facility located in Traverse City.

5. Will the Grayling community have input into the process?

This project will have to be considered in public meetings at both the local and state level, including consideration by the Michigan Strategic Fund and public posting at the Natural Resources Commission. This project will also be subject

Saab, Inc.

to environmental regulatory and permitting processes and considerations based on local, state and federal requirements, including public comment opportunities within in those processes.

Saab is an engaged, responsible company in every community where we operate.

6. Where will the facility be located? Who owns the land?

The site is in Grayling Township. The land is zoned for development and is currently owned by the Michigan Department of Natural Resources (DNR). The size of the property is 388 acres. We estimate that our facility will use 60 acres. It is our desire to leave as much of the site as possible as natural landscape.

7. Will the facility be gated? What security measures will be in place?

Yes, the property will be gated and secured as required by the Department of Defense.

**8. Will there be a relationship with Camp Grayling for testing purposes?
Will there be an increase in noise?**

We will occasionally (once a quarter) test the medium caliber munitions that we will assemble with a total of around 100 test firings a year. Camp Grayling's test range is designed and certified to accommodate these munitions. We don't anticipate a noticeable increase in the amount or level of noise.

9. What will stop Saab from increasing testing more than you're planning on now?

Testing is done at the direction of our customer (the US Government). The product is a proven system that we understand the characteristics, so there's no reason to test more unless we are directed to do so.

10. Does Saab support an expansion of Camp Grayling?

Our plans are not affected by any expansion, what they have now is adequate for our need.

11. Will you test Ground Launched Small Diameter Bomb at Camp Grayling?

No. The systems we will test are medium caliber shoulder fired munitions. The Ground Launched Small Diameter Bomb will not be tested at Camp Grayling or on the Saab site.

12. What authorization has Saab obtained to operate or test weapons on State of Michigan leased land? What is the range of weapons tested by Saab on state lands?

All testing will be at the Camp Grayling test range, which already is certified for this caliber of weapon with a range of 500m. The range has safety and firing procedures, range safety fans, firing points, etc. mapped.

13. Will Camp Grayling close access to more State land for testing/training for Saab.

No. Saab will use an existing test range at Camp Grayling.

14. You just won the IAM contract, will you manufacture the XM919 at the Grayling facility?

Per the contract requirements, XM919 production will transition to the U.S. by the third year of the contract. Production is currently planned at a different location.

15. What will be the impact on noise at the manufacturing facility?

The facility will resemble an office park building, with equivalent noise levels. The assembly uses hand tools. Standing outside you would be more likely to hear birds chirping or cars passing by than sounds from the work going on inside.

16. Presently there is no road to the proposed location of a Grayling facility. How will the road be funded?

The road will be funded and maintained by the State of Michigan.

17. What type of noise pollution is expected? How will Saab prevent noise pollution?

No noise pollution is expected. The facility will resemble an office park building, with equivalent noise levels.

**18. What type of visual (e.g., equipment, personnel) pollution is expected?
How will you prevent visual pollution?**

The plan is for the building to blend into the natural landscape as much as possible. The size of the property is 388 acres. We estimate that our facility will use 60 acres. It is our desire to leave as much of the site as possible as natural landscape.

19. How will Saab prevent the decrease in real estate values and tourism because of its presence and activities?

Real estate values and tourism are not anticipated to be impacted. We do expect some colleagues from Sweden may become local tourists when they are in town visiting the facility and enjoying the area. Many current Saab employees are avid outdoorsmen/women.

20. Will the activities of Saab occur outside the boundaries of current Camp Grayling. If so, why?

The facility will be located outside of Camp Grayling in an industrial park.

21. Will property values be impacted?

There is no reason to expect adverse impact to property values. Rather, the proposed project will bring good-wage job opportunities and positive economic impact to the community.

22. Where else does Saab or any of its partners or contractors test similar products to those anticipated to be manufactured at the Grayling plant?

Saab tests similar products at our facility in Karlskoga, Sweden.

23. How many total Saab facilities related to weapons manufacturing exist now?

Saab has its final assembly of weapons (both AT4 and Carl-Gustaf) located in Karlskoga, Sweden

The AT4 factory has been in the Karlskoga-site for +20 years and before that the production was in Zakrisdalsverken in Karlstad. Additional assembly processes occur in the Malmslätt-site in Linköpin.

Between the eighties and nineties, the United States manufactured over 700,000 AT4 under license contract. The United States has also been an AT4 customer for over 40 years.

24. Does Saab have a Disaster Recovery Plan for its facilities? And will it have one for the proposed Grayling facility?

Saab AB has a Disaster Recovery Plan that complies with Swedish laws in all its Swedish sites. Saab, Inc. will have a Disaster Recovery Plan for Grayling-site that complies with U.S. laws.

Environmental

25. Who will pay for the environmental reviews necessary to approve this project? Will fees from sportsmen be used?

The Michigan Economic Development Corporation supported the Phase 1 environmental review on the site. Additional environmental reviews would be funded by Saab as part of the project costs. There will be no funding from hunting and fishing licenses or other recreation fees used for this project.

The property will be sold at fair market value and proceeds from the sale will go into a fund that is used for the purchase of additional, high value public lands.

26. Will work at the facility pollute air/water/soil? What will Saab do to prevent pollution?

No air, water, microbiological, soil, elemental, inorganic and organic compound, isotopic, visual, noise, or chemical pollution is expected. Saab will implement industry best practices for preventing pollution.

In final assembly organic solvents, glue and epoxies are used, this will give some diffuse fumes to air. Note that it is very small amounts, and most glue and epoxy reactions are polymerization reactions hence any possible fumes stay in the materials. The organic solvents are used for surface cleaning where the adhesives will be applied.

No, microbiological, soil, inorganic compound, visual, noise or chemical pollution is expected.

It is important to note that the facility will be used for final assembly. We are not producing explosives; i.e. we are **not** gathering raw materials, manufacturing energetics (propellants and explosives), or putting these energetics into a warhead. We are taking subassemblies and putting everything together and packaging the finished product in an explosive safe package and sending to our government customer. The assembly (aka "LAP" Load Assembly Pack) process is the safest process and the least risk of producing any pollution.

27. What type of water pollution is expected? How will Saab prevent water pollution?

No water pollution is expected.

28. How will Saab prevent its activities from altering the water cycle in the watersheds?

No water cycle altering is expected.

29. What type of microbiological pollution is expected? How will Saab prevent microbiological pollution?

No microbiological pollution is expected.

30. What type of soil pollution is expected? How will Saab prevent soil pollution?

No soil pollution is expected. All final assembly is located indoors. No floor drain should be present in the production area and no emissions to air such as VOC can be converted to soil pollutions.

31. What type of elemental, inorganic and organic compound and isotopic pollution is expected? How will Saab prevent chemical pollution?

No elemental, inorganic compound and isotopic pollution is expected. The low amount of organic solvents that may turn into emissions are low and will have no impact on people or environment.

32. How will Saab prevent damage to the river-watershed ecosystems?

The facility is not expected to damage the river-watershed ecosystem.

33. What are the pollution risks posed by ammunition that Saab plans to test on Camp Grayling?

The munition Saab intends to test on a quarterly basis comes from the same family of weapons the military has fired on Camp Grayling for over 40 years. While the explosion of both the original and newer munitions contain the same trace levels of pollutants, it would take a nearly impossible level of testing (in excess of 1,000,000 rounds) to achieve even the lowest mandated reporting threshold.

Hazardous Materials

34. Will hazardous materials be used at the facility?

We anticipate using glues and epoxies during assembly. The glues and epoxies that are used is very common and can in most cases be purchased at any local hardware store. We will be fully transparent and provide data sheets and other information about those materials when more decisions have been made about the assembly process. Any and all disposal of hazardous waste will be governed by Saab's HAZMAT policy and procedures and applicable laws and regulations.

35. How will materials be transported to and from the facility?

Our intention is to use a road built on the property connecting directly to the highway, so no materials are transported through the City of Grayling. We will not use rail transport.

a. What special precautions are needed for such shipments?

Saab is working with MDOT and the Grayling Fire Chief to understand precautions required for such shipments.

36. Would contaminants be discharged into the Grayling Water Treatment Facility?

No. Any contaminants that are the result of the assembly process will not be discharged into the Grayling Water Treatment Facility. Disposal will be by other means consistent with local, state and federal regulations.

37. Will there be any PFAS used at this facility?

Some components delivered to the facility for use in the products contain PFAS substances. These substances are used to treat the products so they can endure extremely high temperatures. No surface treatments are conducted at the facility, and components containing PFAS will not come into contact with water or any other solvents. Therefore, there is no risk of PFAS leaking into the environment.

38. Has Saab ever had a hazardous material ("hazmat") spill, accident, or other similar incident ("spill") at one of its facilities related to weapons manufacturing?

There have been no Hazmat spills or accidents. The use of chemicals in the assembly of the weapons are limited.

39. Saab has indicated that the proposed Grayling facility would only be for final assembly and therefore handle only small quantities of hazardous material compared to other steps in the manufacturing process. Is that correct?

Yes, correct, only a very small amount of Hazmat is used during the final assembly.

a. What are the other steps in the manufacturing process of a missile or similar weapon?

Winding of barrel, production of warhead, igniter and fuse, mechanical components, electrical components, composite components, sub-assemblies

b. Where in those other steps are greater amounts of hazmat handled?

The largest amount of hazmat is used during winding of the plastic tube and in the production of the warhead. Which will not be a part of the Grayling-site.

c. How is the hazmat shipped to Grayling? And what safeguards are in place?

Safety is our top priority at Saab. All the packaging being used for shipment and storage to and on the Grayling site has been developed and tested to meet all requirements both for people and environment.

Saab has other customers that do their own final assembly under license agreement so we have a extensive experience in shipping components that are being used for final assembly across the world.

d. Where are hazardous materials stored? Do they need specific environmental conditions? What precautions are taken in the storage of these materials?

The hazardous materials are being stored at dedicated storage facilities that are built for handling the amount stored there in a safe way. No spill will be able to make its way out of the storage room. The storage facility has climate control and necessary floor containment to handle potential spills from everything stored inside. There is no sewage system in the production or storage areas.

e. Is Saab promising that its Grayling operations will only be used for final assembly both now and in the future?

Saab will use the Grayling facility as an assembly site. All of the production of materials will be done in current locations in Sweden or use 3rd party companies in the U.S.

f. Could Saab, at some point in the future, move to its Grayling operations the other steps where greater amounts of hazmat are handled?

With the investments being done right now in Sweden, there are no plans to move anything that uses greater amounts of Hazmats to any other location. Not to Grayling or anywhere else.

Community

40. What Proposal did the state of Michigan make to Saab in order to appeal to Saab so that Saab might come to Michigan (and eventually Grayling)?

Please see below. These incentives are contingent on Saab performing to its commitment in terms of jobs created and capital invested.

PROJECT RAVEN INCENTIVE PROFILE	
<i>Based on the creation of 69 jobs and \$75,000,000 in capital investment</i>	
INCENTIVE	ESTIMATED VALUES
MBDP Cash Grant	\$3,500,000
15 year 100% SESA Exemption	\$853,125
12 year PA 198 Property Tax Abatement	\$5,173,724
12 year 6 Mill State Education Tax Abatement	\$1,426,782
MI Works! Workforce Proposal	\$333,910
TOTAL VALUE OF PROPOSED INCENTIVE	\$11,287,541

41. How many meetings has Saab had with federal, state or local officials or other community leaders and stakeholders in Michigan related to its proposed Grayling operation?

Saab had several formal and informal meetings with state and local officials and stakeholders since our initial visit to Grayling in November 2023.

a. What were the dates and locations of those meetings?

Formal meetings took place on 1 May (Washington, DC), 13-14 May (Grayling, MI), 28-29 May (Grayling, MI), September 10 (Grayling), October 3 (Detroit), and November 19 (Grayling, MI)

b. How many such officials, leaders and stakeholders signed non-disclosure or similar agreements ("NDA"), at Saab's request?

The State of Michigan was asked to sign an NDA at the beginning of the diligence/selection process.

c. Why did Saab request that they sign NDAs?



Saab was in the process of deciding between locations for the new facility, holding discussions with several different states. This competition necessitated NDAs with all competitors.

Saab General Information

42. Does Saab still make and sell cars?

While we no longer manufacture the beloved automobiles, Saab has a long history of manufacturing high quality products that keep people and society safe including aircraft, submarines, air traffic control equipment, and radars.

43. Is Saab a foreign company?

Saab, Inc. is the U.S. subsidiary of Saab AB, an international defense, aerospace and security company. Our U.S. Headquarters is in Syracuse, New York and Saab AB is headquartered in Stockholm, Sweden. With 9 U.S. locations, we have almost 1,000 U.S. employees and 22,000 globally. We serve the U.S. Department of Defense through a Special Security Agreement (SSA) that ensures our U.S. company Saab, Inc. remains free of foreign control or influence. The Federal Aviation Administration is another important Saab customer. Most busy airports in the U.S. have Saab air traffic control equipment helping to keep the airport surface safe.