

BASF and Aspen Aerogels Announce Strategic Partnership

Expanded relationship will create new product and market opportunities supported by long-term financing structure

- Supply agreement for Aspen Aerogel's Spaceloft® A2 insulation product initially targeting the global building materials market
- Partnership supports capacity expansion at Aspen Aerogels' planned Statesboro, GA manufacturing plant
- Joint development agreement for next generation aerogel products to accelerate market expansion

LUDWIGSHAFEN, GERMANY and NORTHBOROUGH, MA, June 22, 2016 – BASF SE (“BASF”) and Aspen Aerogels, Inc. (“Aspen”) (NYSE: ASPN) announced today the expansion of their strategic partnership with the signing of an exclusive supply agreement and a joint development agreement. The agreements are designed to increase market penetration, enhance product profitability and facilitate the development of next generation materials.

As part of the supply agreement, Aspen will commit to the exclusive supply of its Spaceloft® A2 product for incorporation within BASF's aerogel enhanced Slentex® wall system for the building materials market. In turn, BASF will make a low double-digit million investment in the construction of Aspen's new manufacturing plant and BASF will become a base load customer for Aspen's capacity expansion. In addition, BASF will provide technical support to Aspen targeting manufacturing productivity, product cost and profit margins.

Initially, the supply agreement will support BASF's efforts to drive growth in the global building materials market of its Slentex® wall system incorporating Aspen's patented technology. BASF may also directly sell or incorporate Spaceloft® A2 into other systems for applications in certain building, transportation, consumer and industrial markets worldwide. The agreement will run through 2027.

“We chose to partner with Aspen because of their superior aerogel technology platform, which we can enhance as partners in various ways,” said Raimar Jahn, President of BASF's Performance Materials division. “The new agreements will accelerate adoption of aerogel technology as an eco-efficient insulation material globally.”

The Joint Development Agreement establishes a framework to develop new aerogel products and technologies. The agreement will give BASF targeted access to Aspen's world leading technology platform while Aspen will gain access to BASF's technical expertise, sales channels and financial resources. The partnership will both further Aspen's market diversification and growth strategy and support BASF's objective to provide innovative solutions to meet current and future customer needs.

“BASF has played an important role in our development as a company and this next phase of our relationship will support us technically, commercially and financially and will accelerate our diversification into the building materials market,” said Don Young, President and CEO of Aspen. “As our track record in the energy infrastructure and subsea markets has demonstrated, our preferred model is to partner with industry leaders to benefit from their technical, commercial, and financial resources. BASF is a world class company dedicated to promoting energy efficiency by delivering next generation products to the global marketplace. For these reasons, BASF is a perfect partner for Aspen Aerogels.”

The origin of the partnership dates to 2010 when BASF Venture Capital made an equity investment in Aspen and the two companies began to explore technology development and commercialization opportunities within the building materials market. This work led to the development of Aspen’s Spaceloft® A2 insulation product.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 112,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of more than €70 billion in 2015. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information at www.basf.com.

About Aspen Aerogels, Inc.

Aspen Aerogels is an aerogel technology company that designs, develops and manufactures innovative, high-performance aerogel insulation used primarily in the energy infrastructure and building materials markets where thermal energy efficiency is at a premium and Aspen’s products offer unique value. Headquartered in Northborough, Mass., Aspen Aerogels manufactures its Cryogel®, Pyrogel® and Spaceloft® products at its East Providence, R.I. facility.

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