
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): June 21, 2016

Aspen Aerogels, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36481
(Commission
File Number)

04-3559972
(I.R.S. Employer
Identification No.)

**30 Forbes Road, Building B, Northborough,
Massachusetts**
(Address of principal executive offices)

01532
(Zip Code)

Registrant's telephone number, including area code: (508) 691-1111

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.*Supply Agreement*

On June 21, 2016, Aspen Aerogels, Inc. (the “Company”) entered into a supply agreement and a side letter (together, the “SA”) with BASF SE of Ludwigshafen, Germany (“BASF”). Pursuant to the SA, the Company will sell exclusively to BASF the Company’s Spaceloft® A2 product (“Product”) at annual volumes to be specified by BASF, subject to certain volume limits. Pricing shall be based on a cost-plus formula. The SA also specifies the markets in which BASF will be permitted to sell Product. The SA will terminate on December 31, 2027, if not renewed prior to such date. Upon expiration of the SA, the Company will be subject to a post-termination supply commitment for an additional two years.

In addition to the customary terms associated with supply agreements, in order to support the Company’s anticipated investment in a second manufacturing facility (“Plant Two”), BASF will make a non-interest bearing advance to the Company in the aggregate amount of \$22 million (the “Pre-Payment”) during the construction of Plant Two, subject to the Company’s prior satisfaction of certain preconditions related to the finalization of certain aspects of the Product specification and the progress of the financing and construction of Plant Two, including securing a debt commitment from a third party lender for at least \$30 million. In addition, prior to BASF paying any Pre-Payment, the Company will be required to secure the Company’s obligation to repay the Pre-Payment with a first priority security interest in all of the Company’s interest in real estate, machinery and equipment located at the Company’s existing manufacturing facility in East Providence, Rhode Island and that may, in the future, be located at Plant Two. Additionally, the Company will grant non-exclusive licenses to the Company’s subsidiaries under the Company’s intellectual property as necessary to operate such machinery and equipment.

BASF shall pay the Pre-Payment to the Company in eight equal consecutive quarterly installments commencing on the later of (i) October 1, 2016 or (ii) the first day of the calendar quarter following the date on which the Plant Two progress preconditions are met. Once commenced, BASF’s obligation to make such quarterly payments shall be subject to postponement in the event of delays of three months or more in the projected date of completion of Plant Two by a commensurate number of months. After October 1, 2018, the Company will, at BASF’s instruction, credit up to 25.3% of any amounts invoiced by the Company for Product sold to BASF against the Pre-Payment. BASF has no obligation to purchase Product under the SA. If any of the Pre-Payment remains uncredited against amounts invoiced by the Company as described above as of September 30, 2023, BASF may request that the Company repay the unused amount to BASF in four equal quarterly installments beginning on December 31, 2023. Notwithstanding the foregoing, the Pre-Payment may be repaid by the Company to BASF at any time in whole or in part for any reason. In the event of a sale of all or substantially all of the Company’s assets or a change of control of the Company, BASF may in certain instances have the right to terminate the SA, in which case any uncredited amount of the Pre-Payment as of such sale or change of control will be due and payable to BASF within 30 days of the relevant transaction.

Joint Development Agreement

Contemporaneous with the execution of SA, the Company and BASF also entered into a Joint Development Agreement (the “JDA”) setting forth the rights and obligations of the Company and BASF with respect to collaboration between the parties on the development and commercialization of new products. Under the JDA, each party may propose that the parties enter into joint efforts to seek to develop one or more products or services for commercialization on terms to be agreed by the parties. The JDA establishes a joint steering committee with equal representation from each of the Company and BASF to oversee any such collaboration. Unless otherwise agreed, all intellectual property created in the performance of joint development activities will generally be jointly owned by the Company and BASF. The JDA will have an initial term of two years with the option for the parties to renew at the expiration. Either party may terminate the JDA for any reason with 90-days prior notice to the other party, provided that such termination will not terminate any project under the JDA then in progress, with any such ongoing project able to be terminated by either party for any reason on 90-days prior notice to the other party.

The foregoing descriptions of the SA and the JDA are only summaries of their material terms and do not purport to be complete. These summaries are qualified in their entirety by reference to the text of the agreements, copies of which will be filed as exhibits to a future periodic report of the Company.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this Current Report on Form 8-K that relates to the creation of a direct financial obligation of the Company upon the commencement of the payment of the Pre-Payment is incorporated by reference into this Item 2.03.

Item 7.01 Regulation FD Disclosure.

On June 22, 2016, the Company and BASF issued a joint press release announcing their entry into the SA and the JDA, a copy of which is attached to this Current Report on Form 8-K as Exhibit 99.1. The information set forth in the press release is incorporated by reference into this Item 7.01 of this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Joint Press Release issued by the Company and BASF on June 22, 2016.

The press release may contain hypertext links to information on the websites of the Company and/or BASF. The information on the websites of the Company and/or BASF is not incorporated by reference into this Current Report on Form 8-K and does not constitute a part of this Form 8-K.

The information contained in Exhibit 99.1 attached hereto and in Item 7.01 hereof is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

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 hereunto duly authorized.

Aspen Aerogels, Inc.

Date: June 22, 2016

By: /s/ John F. Fairbanks

Name: John F. Fairbanks

Title: Vice President, Chief Financial Officer and Treasurer

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, Mass., June 22, 2016 /PRNewswire/ —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.

Special Note Regarding Forward-Looking and Cautionary Statements

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. These statements are not historical facts but rather are based on Aspen Aerogels’ current expectations, estimates and projections regarding Aspen Aerogels’ business, operations and other factors relating thereto. Words such as “may,” “will,” “could,” “would,” “should,” “anticipate,” “predict,” “potential,” “continue,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” “outlook,” and similar expressions are used to identify these forward-looking statements. Such forward-looking statements include statements regarding, among other things: (i) Aspen Aerogels’ strategic partnership with BASF and the potential benefits of such a relationship, including the potential for it to create new product and market opportunities; (ii) Aspen Aerogels’ supply agreement with BASF (“SA”), Aspen Aerogels’ exclusive supply to BASF of its Spaceloft® A2 product, the potential for future cash advances from BASF under the SA (payment of which are subject to certain conditions) to provide a source of financing for some portion of the cost of the planned construction of Aspen’s Aerogels’ proposed manufacturing plant expected to be located in Statesboro, Georgia (the “Proposed Plant Two”), and the potential for BASF to become a significant customer for Aspen Aerogel’s products, including with respect to the additional product to be produced as a result of the expected capacity expansion at the Proposed Plant Two; and (iii) Aspen Aerogels’ joint development agreement with BASF (“JDA”), the potential for it to support the development of new aerogel products and technologies, and the potential for it to assist Aspen Aerogels’ market diversification and growth strategy. All such forward-looking statements are based on management’s present expectations and are subject to certain factors, risks and uncertainties that may cause actual results, outcome of events, timing and performance to differ materially from those expressed or implied by such statements. These risks and uncertainties include, but are not limited to, the following: (i) the fact that BASF has not yet placed any orders for product under the SA, that there can be no assurance that BASF will ever do so, and that even if BASF were to place orders, there can be no assurance that BASF will ever be a significant customer for Aspen Aerogels’ products; (ii) any inability by Aspen Aerogels’ to meet the conditions to which the potential future cash advances by BASF under the SA are subject, including with respect to the finalization of certain aspects of the product specification and the progress of the financing and construction of the Proposed Plant Two, including securing a debt commitment from a third party lender for at least \$30 million; and (iii) the potential for any of the following risks and uncertainties to impact negatively Aspen Aerogels’ relationship with BASF, Aspen Aerogels’ and BASF’s ability to perform under the SA or the JDA, and Aspen Aerogels’ ability to achieve its goals with respect to its relationship with BASF, the SA and the JDA, including creating new product and market opportunities (including in the building and construction market) and developing a potential source of financing: any sustained downturn in the energy industry and/or energy prices; any disruption or inability to achieve expected capacity levels in any of our three production lines or the manufacturing facility in which they are located; any failure to achieve an increase in production capacity that Aspen Aerogels’ growth plan requires in a timely manner; any failure of demand for Aspen Aerogels’ products; any failure to achieve expected average selling prices for Aspen Aerogels’ products; the failure to obtain significant additional capital to pursue Aspen Aerogels’ growth strategy; the failure of our products to become widely adopted; the competition Aspen Aerogels faces in its business; the failure to manage Aspen Aerogels’ growth, and the demands that growth places on Aspen Aerogels’ management systems and infrastructure; any failure of Aspen Aerogels’ products to meet applicable specifications and other performance, safety, technical and delivery requirements; the failure of Aspen Aerogels to achieve anticipated improvement in profit margins; the general economic conditions and cyclical demands in the markets that Aspen Aerogels serves; the economic, operational and political risks associated with sales and expansion of operations in foreign countries; the loss of any direct customer, including distributors, contractors and OEMs; compliance with health and safety laws and regulations; shortages of raw materials; the maintenance and development of distribution channels; and the other risk factors discussed under the heading “Risk Factors” contained in our Annual Report on Form 10-K for the year ended December 31, 2015 and filed with the Securities and Exchange Commission (“SEC”) on March 4, 2016, as well as any updates to those risk factors filed from time to time in our subsequent periodic and current reports filed with the SEC. In addition, this press release is qualified in its entirety by the Form 8-K filed by Aspen Aerogels with the SEC on the date hereof and the descriptions of the SA and JDA contained therein. All statements contained in this press release are made only as of the date of this press release, and Aspen Aerogels does not intend to update this information unless required by law.

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