August 20, 2024

ASPEN AEROGELS

MIDCAP FINANCING ANNOUNCEMENT

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Financing Facility Highlight Summary

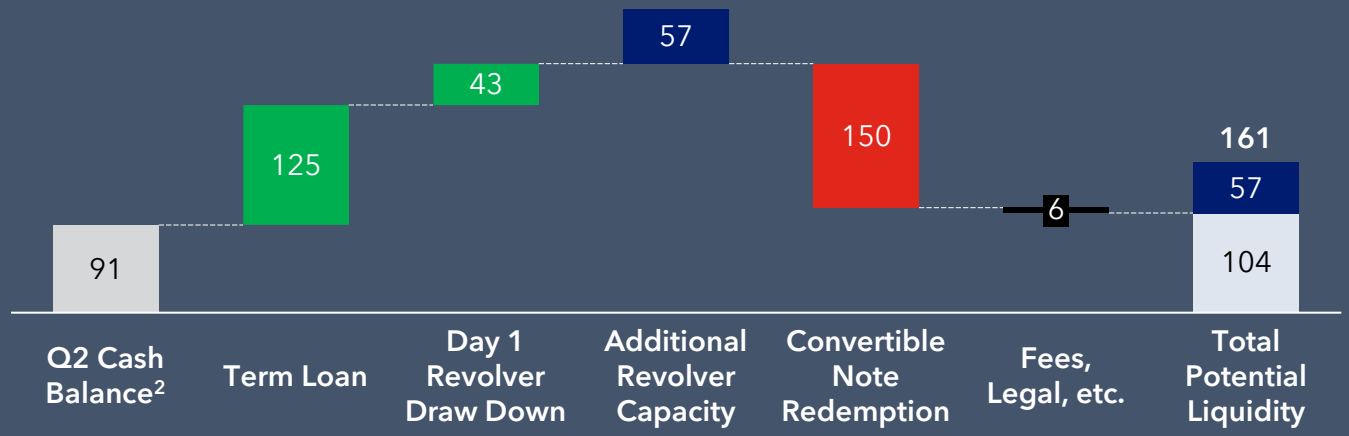
$225M debt facility is structured with $125M as 5-year term debt combined with $100M revolving asset backed facility

Summary Terms and Transaction Details

	Term Loan	Revolver
Size	$125M	Lesser of $100M or Borrowing Base
Maturity	5 Years from Closing	
Interest Rate	SOFR (4.5% floor; 7.5% ceiling) + 4.50% **9.8% all in rate[1]**	SOFR (2.5% floor; no ceiling) + 4.60% **9.9% all in rate[1]**
Other Main Terms	103/102/101 Prepayment Penalty	30% Minimum Draw Required 103/102/101 Prepayment Penalty

Use of Proceeds Cash Walk

$ in millions



Collateral Structure Summary

MidCap Financial

Parent's Assets[3]

- Foreign Subsidiaries
- Rhode Island Aerogel Facility
- All Other Assets

Intercompany Transactions

Collateral Excluded for Potential Project Financing



1- Assumes SOFR rate of ~5.3% as of 8/16/2024
2- Cash balance as of 6/30/2024
3- Relates to Aspen Aerogels, Inc as Parent under the collateral structure

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What this Financing Enables

$225M facility enables flexibility, a lower cost of capital in a lower rate environment, and eliminates potential equity overhang

Flexibility

- $100M revolving line of credit that can grow with asset base
- Collateral structure paves way for attractive Plant II project financing
- Long-term partner in MidCap Financial as opportunity evolves

Potential for Lower Cost of Capital

- SOFR floor on facility is well below the current rates
- Potential Plant II project financing is approximately at US Treasury rates
- Revolver enables low friction liquidity flexibility

Equity Overhang Removal

ASPN Stock Price Since January 3, 2022

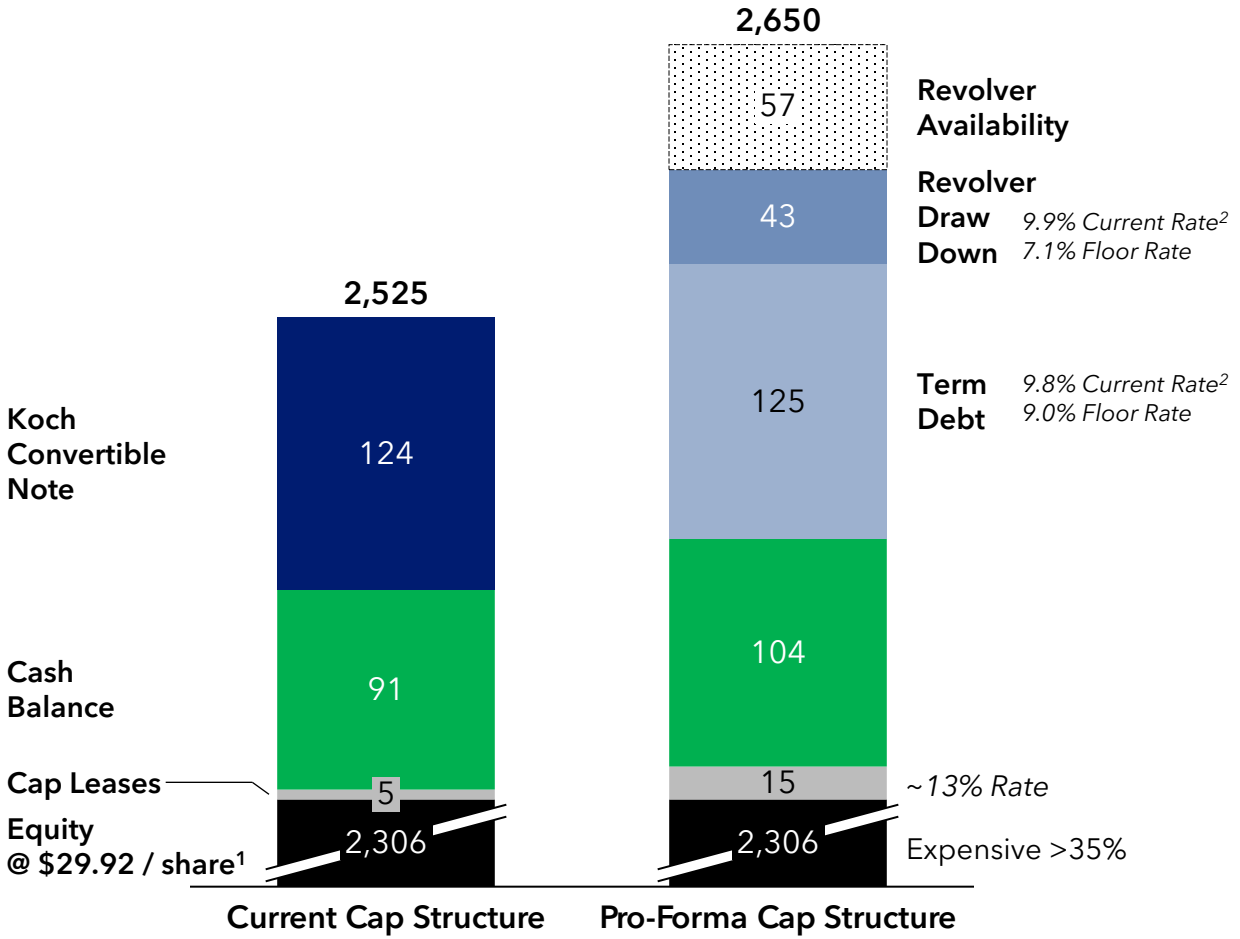


Effects on the Pro-Forma Cap Structure

Aiming for total cost of debt to be meaningfully below a 10% annual rate over time to support equity value creation

Current and Pro Forma Capital Structure

$ in Millions



Pro-forma Structure Commentary

- Enables the company's equity to reach its full value potential with **no convertible debt overhang**
- Sub ~10% average cost of debt for a company with our P&L and cap structure Plant II project loan would be world class
- Cost of capital will be reduced even further by potential Plant II project financing at approximately U.S. Treasury rates
- Assuming 25% YoY potential earnings growth, cost of equity is at least 25%, if not higher

1 – Market capitalization as of 8/16/2024
2 – Assumes SOFR rate of ~5.3% as of 8/16/2024


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