

TuSimple Holdings Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share data)
(unaudited)

	December 31, 2023	June 30, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 192,566	\$ 139,039
Short-term investments	534,806	493,253
Prepaid expenses and other current assets	16,150	17,730
Total current assets	743,522	650,022
Property and equipment, net	10,508	5,430
Operating lease right-of-use assets	34,939	21,712
Other assets	5,263	4,780
Total assets	\$ 794,232	\$ 681,944
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,648	\$ 3,582
Amounts due to joint development partners	3,176	3,176
Accrued expenses and other current liabilities	23,887	13,008
Operating lease liabilities, current	6,285	5,563
Total current liabilities	37,996	25,329
Operating lease liabilities, noncurrent	36,240	24,097
Other liabilities	409	408
Total liabilities	74,645	49,834
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 100,000,000 shares authorized as of December 31, 2023 and June 30, 2024; zero shares issued and outstanding as of December 31, 2023 and June 30, 2024, respectively	—	—
Common stock, \$0.0001 par value; 4,876,000,000 Class A shares authorized as of December 31, 2023 and June 30, 2024; 206,500,114 and 208,255,942 Class A shares issued and outstanding as of December 31, 2023 and June 30, 2024, respectively; 24,000,000 Class B shares authorized, issued, and outstanding as of December 31, 2023 and June 30, 2024, respectively	22	22
Additional paid-in-capital	2,610,706	2,614,091
Accumulated other comprehensive loss	(901)	(739)
Accumulated deficit	(1,890,240)	(1,981,264)
Total stockholders' equity	719,587	632,110
Total liabilities and stockholders' equity	\$ 794,232	\$ 681,944

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TuSimple Holdings Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
Revenue	\$ 92	\$ —	\$ 307	\$ —
Cost of revenue	246	—	754	—
Gross loss	(154)	—	(447)	—
Operating expenses:				
Research and development	58,506	16,591	120,108	35,803
Selling, general and administrative	28,735	28,620	57,422	70,536
Total operating expenses	87,241	45,211	177,530	106,339
Loss from operations	(87,395)	(45,211)	(177,977)	(106,339)
Interest income	9,747	7,651	19,624	15,698
Other income (expense), net	(391)	104	(898)	(383)
Loss before provision for income taxes	(78,039)	(37,456)	(159,251)	(91,024)
Provision for income taxes	—	—	—	—
Net loss	\$ (78,039)	\$ (37,456)	\$ (159,251)	\$ (91,024)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.34)	\$ (0.16)	\$ (0.70)	\$ (0.39)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	227,989,816	234,362,720	227,202,197	234,051,888

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TuSimple Holdings Inc.
Condensed Consolidated Statements of Comprehensive Loss
(in thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
Net loss	\$ (78,039)	\$ (37,456)	\$ (159,251)	\$ (91,024)
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on available-for-sale securities	(2,337)	40	(1,934)	(373)
Foreign currency translation adjustment	(1,864)	126	(945)	535
Comprehensive loss	\$ (82,240)	\$ (37,290)	\$ (162,130)	\$ (90,862)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TuSimple Holdings Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)
(unaudited)

	<u>Common Stock</u>		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2022	225,707,557	\$ 22	\$ 2,567,723	\$ (3,559)	\$ (1,609,705)	\$ 954,481
Issuance of common stock from exercise of options	22,230	—	—	—	—	—
Issuance of common stock from release of RSUs and SVAs	654,949	—	—	—	—	—
Stock-based compensation	—	—	16,805	—	—	16,805
Unrealized gain on available-for-sale debt securities, net	—	—	—	403	—	403
Foreign currency translation adjustment	—	—	—	919	—	919
Net loss	—	—	—	—	(81,212)	(81,212)
Balance as of March 31, 2023	226,384,736	\$ 22	\$ 2,584,528	\$ (2,237)	\$ (1,690,917)	\$ 891,396
Issuance of common stock from exercise of options	31,626	—	30	—	—	30
Issuance of common stock from release of RSUs and SVAs	1,744,091	—	—	—	—	—
Compensatory stock issuances	175,816	—	—	—	—	—
Stock-based compensation	—	—	10,959	—	—	10,959
Unrealized loss on available-for-sale debt securities, net	—	—	—	(2,337)	—	(2,337)
Foreign currency translation adjustment	—	—	—	(1,864)	—	(1,864)
Net loss	—	—	—	—	(78,039)	(78,039)
Balance as of June 30, 2023	228,336,269	\$ 22	\$ 2,595,517	\$ (6,438)	\$ (1,768,956)	\$ 820,145

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TuSimple Holdings Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)
(unaudited)

	<u>Common Stock</u>			Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Additional Paid-in Capital			
Balance as of December 31, 2023	230,500,114	\$ 22	\$ 2,610,706	\$ (901)	\$ (1,890,240)	\$ 719,587
Issuance of common stock from release of RSUs and SVAs	1,755,828	—	—	—	—	—
Stock-based compensation	—	—	2,321	—	—	2,321
Unrealized gain on available-for-sale debt securities, net	—	—	—	(413)	—	(413)
Foreign currency translation adjustment	—	—	—	409	—	409
Net loss	—	—	—	—	(53,568)	(53,568)
Balance as of March 31, 2024	232,255,942	\$ 22	\$ 2,613,027	\$ (905)	\$ (1,943,808)	\$ 668,336
Stock-based compensation	—	—	1,064	—	—	1,064
Unrealized gain on available-for-sale debt securities, net	—	—	—	40	—	40
Foreign currency translation adjustment	—	—	—	126	—	126
Net loss	—	—	—	—	(37,456)	(37,456)
Balance as of June 30, 2024	232,255,942	\$ 22	\$ 2,614,091	\$ (739)	\$ (1,981,264)	\$ 632,110

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TuSimple Holdings Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2023	2024
Cash flows from operating activities:		
Net loss	\$ (159,251)	\$ (91,024)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	27,764	3,385
Depreciation and amortization	3,422	2,085
Noncash operating lease expense	2,699	2,292
Accretion of discount on short-term investments, net	(4,496)	(3,082)
Impairment of long-lived assets	1,335	—
Other adjustments	(91)	908
Changes in operating assets and liabilities:		
Accounts receivable	1,286	—
Prepaid expenses and other current assets	(2,267)	(1,782)
Other assets	593	479
Accounts payable	(3,780)	(1,066)
Amounts due to joint development partners	(2,577)	—
Accrued expenses and other current liabilities	(19,729)	(10,879)
Operating lease liabilities	(2,732)	(3,128)
Other liabilities	(1)	(2)
Net cash used in operating activities	<u>(157,825)</u>	<u>(101,814)</u>
Cash flows from investing activities:		
Purchases of short-term investments	(209,165)	(144,801)
Proceeds from maturities of short-term investments	68,857	188,723
Purchases of property and equipment and other assets	(945)	(56)
Proceeds from disposal of property and equipment	—	3,316
Net cash (used in) provided by investing activities	<u>(141,253)</u>	<u>47,182</u>
Cash flows from financing activities:		
Proceeds from exercised stock options	30	—
Principal payments on finance lease obligations	(277)	—
Principal payments on loans	(805)	—
Net cash used in financing activities	<u>(1,052)</u>	<u>—</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(908)	550
Net decrease in cash, cash equivalents, and restricted cash	(301,038)	(54,082)
Cash, cash equivalents, and restricted cash - beginning of period	617,465	194,232
Cash, cash equivalents, and restricted cash - end of period	<u>\$ 316,427</u>	<u>\$ 140,150</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

TuSimple Holdings Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

Six Months Ended June 30,

	2023	2024
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	\$ 314,711	\$ 139,039
Restricted cash included in prepaid expenses and other current assets	1,716	1,111
Total cash, cash equivalents, and restricted cash	\$ 316,427	\$ 140,150
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 254	\$ —
Supplemental schedule of non-cash investing and financing activities:		
Acquisitions of property and equipment included in liabilities	\$ 26	\$ —
Right-of-use assets obtained in exchange for operating lease obligations	\$ 35	\$ —

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Key Metric and Non-GAAP Financial Measure

(In thousands, except percentages)	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2024	% Change	2023	2024	% Change
Loss from operations	\$ (87,395)	\$ (45,211)	(48)%	\$ (177,977)	\$ (106,339)	(40)%
Adjusted EBITDA ⁽¹⁾	\$ (64,859)	\$ (32,176)	(50)%	\$ (134,384)	\$ (69,044)	(49)%

⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure. For more information regarding our use of this financial measure and a reconciliation of this financial measure to the most comparable GAAP measure, see "Reconciliation of Non-GAAP Financial Measure."

Adjusted EBITDA

Adjusted EBITDA is a performance measure that our management uses to assess our operating performance in our business. Since Adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors.

We calculate Adjusted EBITDA as loss from operations, adjusted to exclude:

- depreciation and amortization;
- stock-based compensation expense;
- restructuring expenses; and
- finance lease interest expense included within cost of revenue.

For more information regarding the limitations of Adjusted EBITDA and a reconciliation of loss from operations to Adjusted EBITDA, see the section titled "Reconciliation of Non-GAAP Financial Measure."

Reconciliation of Non-GAAP Financial Measure

We use Adjusted EBITDA in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our board of directors concerning our financial performance. Because non-GAAP financial measures are not standardized, it may not be possible to compare this measure with other companies' non-GAAP measures having the same or similar names. In addition, other companies may not publish similar metrics. Furthermore, this measure has certain limitations in that it does not include the impact of certain expenses that are reflected in our consolidated statements of operations that are necessary to run our business. Our Adjusted EBITDA should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP.

The following table provides a reconciliation of reported net loss from operations determined in accordance with GAAP to non-GAAP adjusted EBITDA (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
Loss from Operations	\$ (87,395)	\$ (45,211)	\$ (177,977)	\$ (106,339)
Stock-based compensation expense ⁽¹⁾	13,515	1,064	30,320	3,468
Depreciation and amortization ⁽¹⁾	1,226	879	2,793	2,085
Restructuring expenses	7,775	11,092	10,427	31,742
Finance lease interest expense included within cost of revenue	20	—	53	—
Adjusted EBITDA	\$ (64,859)	\$ (32,176)	\$ (134,384)	\$ (69,044)

⁽¹⁾ Excludes amounts related to restructuring events.

Highlights for the Three Months Ended June 30, 2024

R&D expenses decreased by \$41.9 million, or 71.6%, year-over-year to \$16.6 million from \$58.5 million in the same period of 2023. This was largely due to a broad U.S. restructuring plan in 2023 to rebalance the Company's cost structure in alignment with its strategic priorities. The Company focused on winding down U.S. operations, including through sales of U.S. assets, and assisting the Company's strategic shift to the Asia Pacific Region.

SG&A expenses were \$28.6 million for the three months ended June 30, 2024, compared with \$28.7 million in the same period of 2023. This was largely due to broad restructuring plans to rebalance the Company's cost structure in alignment with its strategic priorities for U.S. in the period of 2023 and for Asia Pacific Region in the period of 2024.

Highlights for the Six Months Ended June 30, 2024

R&D expenses decreased by \$84.3 million, or 70.2%, year-over-year to \$35.8 million from \$120.1 million in the same period of 2023. This was largely due to a broad restructuring plan to rebalance the Company's global cost structure in alignment with its strategic priorities. The Company continued to focus on winding down U.S. operations, including through sales of U.S. assets, and assisting the Company's strategic shift to the Asia Pacific Region.

SG&A expenses increased by \$13.1 million, or 22.8%, year-over-year to \$70.5 million from \$57.4 million in the same period of 2023. This was largely due to broad restructuring plans to rebalance the Company's cost structure in alignment with its strategic priorities for U.S. in the period of 2023, Asia Pacific Region in the period of 2024 and a general increase in legal services and settlement expenses due to litigation and ongoing investigations.