



Dear Shareholders,

Today, TuSimple announced the decision to transition from a publicly traded company to a privately held company. This transition involves voluntary delisting from Nasdaq and deregistration with Securities and Exchange Commission (SEC).

The decision was made after an exhaustive review by a Special Committee formed by the Board of Directors and composed of only independent board members. In making its determination, the Special Committee concluded that delisting and deregistering is in the best interests of the Company and its shareholders. Since TuSimple's initial public offering in 2021, there has been a significant shift in capital markets, due in part to rising interest rates and quantitative tightening that has changed investor sentiment for pre-commercialization technology growth companies. The Company's valuation and liquidity have declined, while the Company's share price volatility has increased significantly. Accordingly, the Special Committee determined that the benefits of remaining a publicly traded company no longer justify the costs. As previously disclosed, the Company is undergoing a transformation that the Company believes it can better navigate as a private company than as a publicly traded one.

This letter and the attached FAQ provide more information to you as we embark on this transition. We remain strongly committed to creating long-term value for our shareholders and we want to sincerely thank you for your support.

Sincerely,

Chairman of the Special Committee  
CEO



## FAQ

### **How was the decision made?**

In October 2023, the Board of Directors formed a Special Committee composed of only Independent Board members fully empowered to review and ultimately make the decision whether to voluntarily delist from Nasdaq and deregister with the SEC. The Special Committee's decision was made independently of management, non-independent directors, and any affiliated shareholders.

This decision was not made lightly. During an exhaustive process, the Special Committee considered numerous factors to make an informed decision about what would be in the best interests of TuSimple and its shareholders going forward. The Special Committee consulted independent financial and legal advisors as part of its decision making process.

### **What does this mean for you as a shareholder? What happens to your shares once the Company is delisted from Nasdaq and deregistered with the SEC?**

The Special Committee decision was made on the belief that taking these steps will allow the Company and its management team to more effectively realize long-term shareholder value without the distraction of current public market volatility in the autonomous driving industry.

Your shareholding will not change. As a shareholder of TuSimple as a private company, you will continue to be part of the journey. Your shareholdings will benefit from any increase in value of the Company. However, the common shares will not be traded on a public exchange such as Nasdaq.

We are continuing our previously announced transition to focus operations to the Asia Pacific (APAC) region, without precluding the possibility of doing business in the United States in the future. For now, we believe that market dynamics and the maturity of the APAC region's supply chain allow for attractive commercialization opportunities. In the past year, we have made significant progress, including being the first to pilot L4 autonomous trucks in Japan and first to conduct driver-out operations in China. Our goal is to continue building on our business and technological achievements. The path to commercialization is ever evolving, and we will continue to optimize our strategy and operations, including evaluating new markets and business opportunities.

### **What will happen to the Company's cash?**

The Company intends to maintain its current cash management process. Our balance sheet cash is managed at the TuSimple Holdings Inc. level and is used to fund operations globally. This will continue to be the case after the transition.



### **What happens after this announcement?**

The anticipated timeline for our voluntary delisting and deregistration is as follows:

Jan. 29, 2024 – The Company files Form 25 with SEC

Feb. 8, 2024 – Form 25 is effective and the Company's shares are delisted from Nasdaq; The Company files Form 15 for deregistration. At this time, the Company's obligation to file periodic reports such as 10-K's, 10-Q's and 8-K's with the SEC will be suspended and the Company will no longer be subject to Nasdaq's governance and disclosure requirements. The Company remains subject to the SEC's proxy rules and SEC beneficial ownership reporting requirements.

Apr. 28, 2024 – Section 12(b) registration is terminated. At this time the Company is no longer subject to SEC proxy rules or SEC beneficial ownership reporting requirements.

### **Will I be able to sell or buy shares after the announcement?**

The last day to trade the Company's shares on Nasdaq is expected to be Feb. 7, 2024. Upon delisting from Nasdaq, the stock of a company that files periodic reports with the SEC may continue to trade on OTC markets. However, upon deregistration, much of this trading will likely cease and from Feb. 8, 2024, our obligation to file periodic reports with the SEC will be suspended and we do not anticipate continuing to file such reports with the SEC after that date. Additional liquidity options could include secondary markets, e.g., Forge Global, which connects existing investors with accredited investors who are interested in purchasing private company shares.

### **Will I be able to buy or sell shares after the Company is private?**

There are secondary marketplaces to sell or purchase shares of a private company. Typically, brokers are allowed to hold shares of private companies on your behalf. However, we recommend that you check with your individual broker. Based on market and business conditions, the Company may provide liquidity for existing shareholders in the future, although the Company has not made any decision to do so at this time. The independent directors of the Board intend to consider options for returning value to the Company's unaffiliated shareholders within the next 12 to 18 months, taking into account business and market conditions that may exist at the time.

### **What are you doing to ensure minority shareholders are protected once the Company goes private?**

In connection with the delisting and deregistration of the Company's common shares, the Special Committee negotiated and approved, and the Company has entered into, a Cooperation Agreement with Mo Chen, the Company's Executive Chairman, pursuant to which Chen has agreed to abide by certain standstill provisions



set forth in the Cooperation Agreement during a standstill period commencing on the date of the Agreement (Jan. 16, 2024) and ending on the date that is two years from the effective date of the Form 15. As contemplated by the Cooperation Agreement, the Company has also amended its Amended and Restated Bylaws to provide that the Board will consist of at least three independent directors and to require that any transaction with Chen or his affiliates would require the approval of a majority of independent directors, a committee composed solely of independent directors or a majority of the disinterested holders of the Company's Class A common shares.

**Will I continue to receive quarterly and annual financial reports and updates?**

The Company intends to adhere to relevant laws, regulations, policy, and shareholder agreements. Private companies do not have the same periodic reporting requirements as a publicly traded company; and, from Feb. 8, 2024 we do not intend to continue to file periodic reports with the SEC.

**Will the Company go public again in the future?**

We will evaluate based on our development and market conditions. Our goal is to provide long-term value accretion to shareholders. If we believe we can achieve attractive valuation in the public markets in the future, we would consider doing so.

**Whom may I contact if I have additional questions?**

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