
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): May 12, 2023

TuSimple Holdings Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40326
(Commission
File Number)

86-2341575
(IRS Employer
Identification No.)

9191 Towne Centre Drive, Suite 600
San Diego, CA 92122
(Address of principal executive offices, including zip code)

(619) 916-3144
(Registrant's telephone number, including area code)

N/A
(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 (see General Instruction A.2):

- ☐ 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	TSP	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.05 Costs Associated with Exit or Disposal Activities.

As previously disclosed, on December 15, 2022, the Board of Directors (the “Board”) of TuSimple Holdings Inc. (the “Company”) authorized a broad restructuring plan to rebalance the Company’s cost structure in alignment with its strategic priorities. On May 16, 2023, the Board authorized an additional restructuring plan to further align the Company’s cost structure with its strategic priorities (the “Restructuring Plan”). The Restructuring Plan includes a reduction in workforce by approximately 300 employees, or 30% of the Company’s global workforce.

Following the workforce reduction per the Restructuring Plan, the Company’s global full-time employees (“FTEs”) are expected to be approximately 750 FTEs.

The Company currently estimates that it will incur one-time charges of approximately \$12 million to \$13 million in connection with the Restructuring Plan, consisting primarily of cash expenditures for employee transition, notice period and severance payments, employee benefits, and related costs. The majority of the restructuring charges per the Restructuring Plan will be recorded in the second quarter of 2023, and the full execution of the Restructuring Plan will be substantially complete by the end of fiscal year 2023.

The foregoing estimates of the charges the Company expects to incur under the Restructuring Plan are subject to assumptions and actual charges may differ from such estimates.

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

As previously disclosed in the Company’s Notification of Late Filing on Form 12b-25, filed with the Securities and Exchange Commission (“SEC”) on May 11, 2023, the Company has determined that it is unable, without unreasonable effort or expense, to file its Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023 (the “Form 10-Q”) by the prescribed due date because the Company requires additional time to finalize the Form 10-Q in light of the Company’s recent engagement of a new independent registered public accounting firm for the fiscal year ending December 31, 2022, as previously disclosed in the Company’s Current Report on Form 8-K filed with the SEC on the same date.

On May 12, 2023, the Company received a notice (the “Notice”) from The Nasdaq Stock Market LLC (“Nasdaq”) indicating that, as a result of not having timely filed the Form 10-Q with the SEC, the Company is not in compliance with Nasdaq Listing Rule 5250(c)(1), which requires timely filing of all required periodic financial reports with the SEC.

The Notice indicated that this serves as an additional basis for delisting the Company’s securities from Nasdaq and that the Company should present its views with respect to this additional delinquency to the Nasdaq at its hearing before the Nasdaq Hearings Panel (the “Hearings Panel”), which the Company intends to do. Nasdaq has informed the Company that its hearing before the Hearings Panel is scheduled for June 22, 2023.

Item 7.01 Regulation FD Disclosure.

The Company issued a press release in connection with the Restructuring Plan. A copy of this press release is furnished as Exhibit 99.1 to this report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	<u>Press Release by TuSimple Holdings Inc. on May 18, 2023.</u>
99.2	<u>Press Release by TuSimple Holdings Inc. on May 18, 2023.</u>
104	Cover Page Interactive Data File (formatted as Inline XBRL).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TuSimple Holdings Inc.

By: /s/ Eric Tapia

Eric Tapia
Chief Financial Officer

Dated: May 18, 2023

TuSimple Holdings Announces Restructuring of U.S. Operations and Provides Update on Asia Pacific Business

- *Aligning capital spend with overall market conditions and pace of industry readiness*
- *Reorganization of U.S. operations and a reduction in force to focus development efforts*
- *No longer seeking strategic alternatives for Asia Pacific business*

SAN DIEGO, (May 18, 2023) – TuSimple (Nasdaq: TSP), a global autonomous driving technology company, announced a restructuring plan for its U.S. operations that is intended to enable the company to continue maturing its technology while preserving the company’s balance sheet. The company also announced it is no longer seeking strategic alternatives for its Asia Pacific subsidiaries.

Restructuring of U.S. Operations

In light of current market conditions, today TuSimple announced it is reorganizing its U.S. operations and better aligning staffing levels with the company’s goals. This includes an approximately 30% reduction to TuSimple’s global workforce. The reduction in workforce will only impact TuSimple locations within the U.S.

Rooted in the tenets of the “V-model,” an industry standard for developing complex systems, the new organizational structure for U.S. operations is designed to prioritize validation and testing of the company’s Level 4 autonomous technology, and to improve organizational accountability and reporting lines. The restructuring is expected to lead to approximately \$12 million to \$13 million in one-time charges, consisting primarily of severance and WARN Act-related expenses, and result in an expected annual cash compensation expense savings of approximately \$64 million to \$68 million. Including the restructuring in December 2022, total annual cash compensation savings are expected to be in excess of \$120 million.

“As we relaunch TuSimple, we have taken a variety of factors into consideration including further deterioration of global economic growth, significantly reduced capital availability in the self-driving industry and redundant hardware availability,” said Cheng Lu, president and CEO of TuSimple. “Given these factors, we believe this restructuring, while difficult, aligns our capital spend with the pace of overall industry readiness and improves our long-term competitive position. These decisions are not made lightly as they impact many of our colleagues. Our company would not be where it is today without their contributions. For that, they have our utmost gratitude.”

Since TuSimple’s founding in 2015, it has prided itself on developing industry-leading technology and achieving many industry firsts. TuSimple’s fleet of autonomous trucks has clocked more than 10 million testing, research and freight delivery miles. It has developed a full-stack autonomous driving software for Class 8 trucks that is among the most advanced in the industry, world-class simulation platform, data infrastructure, and development ecosystem. Post-restructuring, the company will continue to retain its key Level 4 technology development capabilities, and remain focused on enabling autonomous freight transportation.

Update on TuSimple Asia Pacific Subsidiaries

The company believes it is in the best interest of shareholders to continue owning and operating its Asia Pacific subsidiaries and is no longer exploring a transaction. In the past year, TuSimple's Asia Pacific subsidiaries have continued to make progress working with several OEMs on Level 4 and Level 2+ commercial projects. In April 2023, TuSimple announced that its proprietary, high-performance central compute unit - TuSimple Domain Controller (TDC) - is expected to be ready for commercial production at the end of 2023. Enabled by the TDC and launched at the Shanghai Auto Show, TuSimple also introduced an integrated software plus hardware autonomy perception solution for OEM customers called TS-Box. The company intends to continue to develop Level 4 commercial autonomous freight opportunities in multiple Asia Pacific markets.

About TuSimple

TuSimple is a global autonomous driving technology company headquartered in San Diego, California, with operations in the United States and Asia. Founded in 2015, TuSimple is developing a commercial-ready, fully autonomous (SAE Level 4) driving solution for long-haul heavy-duty trucks. TuSimple aims to transform the \$4 trillion global truck freight industry through the company's leading AI technology, which makes it possible for trucks to drive safely autonomously, operate nearly continuously, and reduce fuel consumption by 10%+ relative to manually driven trucks. Global achievements include the world's first fully autonomous, 'driver-out' semi-truck run on open public roads, and development of the world's first Autonomous Freight Network (AFN). Visit us at www.tusimple.com.

Forward-Looking Statements

This press release contains forward-looking statements. These statements are based on current expectations as of the date of this press release and involve a number of risks and uncertainties, which may cause results to differ materially from those indicated by these forward-looking statements. Many important factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to, the Company's restructuring plan including potential cost-savings, autonomous driving being an emerging technology, the development of the Company's technologies and products, the Company's limited operating history in a new market, the regulations governing autonomous vehicles, changes in the Company's board of directors and senior management, the Company's dependence on its senior management team, reliance on third-party suppliers, potential product liability or warranty claims, the protection of the Company's intellectual property, securities class action litigation, the Company's ability to regain compliance with Nasdaq listing standards, and government or regulatory policies, inquiries and actions. Moreover, the Company operates in a competitive and rapidly changing environment, and new risks may emerge from time to time. The foregoing list of factors is not exhaustive.

You should carefully consider the foregoing factors and the other risks and uncertainties described under the caption "Risk Factors" in our most recent annual report on Form 10-K, filed with the SEC on February 24, 2022, and the Company's other filings with the SEC. These SEC filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. We do not give any assurance that we will achieve our expectations.

SOURCE TuSimple Holdings, Inc.

TuSimple Investor Relations

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TuSimple Media Relations

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TuSimple Receives Expected Notice from Nasdaq Related to Delayed Filing of Quarterly Report on Form 10-Q

SAN DIEGO, May 18, 2023/PRNewswire/ —TuSimple (Nasdaq: TSP) today announced that as previously disclosed in the TuSimple Holdings Inc. (the “Company”) Notification of Late Filing on Form 12b-25, filed with the Securities and Exchange Commission (“SEC”) on May 11, 2023, the Company has determined that it is unable, without unreasonable effort or expense, to file its Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023 (the “Form 10-Q”) by the prescribed due date because the Company requires additional time to finalize the Form 10-Q in light of the Company’s recent engagement of a new independent registered public accounting firm for the fiscal year ending December 31, 2022, as previously disclosed in the Company’s Current Report on Form 8-K filed with the SEC on the same date.

On May 12, 2023, the Company received a notice (the “Notice”) from The Nasdaq Stock Market LLC (“Nasdaq”) indicating that, as a result of not having timely filed the Form 10-Q with the SEC, the Company is not in compliance with Nasdaq Listing Rule 5250(c)(1), which requires timely filing of all required periodic financial reports with the SEC.

The Notice indicated that this serves as an additional basis for delisting the Company’s securities from Nasdaq and that the Company should present its views with respect to this additional delinquency to the Nasdaq at its hearing before the Nasdaq Hearings Panel (the “Hearings Panel”), which the Company intends to do. Nasdaq has informed the Company that its hearing before the Hearings Panel is scheduled for June 22, 2023.

About TuSimple

TuSimple is a global autonomous driving technology company headquartered in San Diego, California, with operations in the United States and Asia. Founded in 2015, TuSimple is developing a commercial-ready, fully autonomous (SAE Level 4) driving solution for long-haul heavy-duty trucks. TuSimple aims to transform the \$4 trillion global truck freight industry through the company’s leading AI technology, which makes it possible for trucks to see 1,000 meters away, operate nearly continuously, and reduce fuel consumption by 10%+ relative to manually driven trucks. Visit us at www.tusimple.com.

Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding the Company’s ability to remain listed on Nasdaq. These statements are based on current expectations as of the date of this press release and involve a number of risks and uncertainties, which may cause results to differ materially from those indicated by these forward-looking statements. Many important factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to those related to the new independent registered public accounting firm’s ability to complete its reviews and audit on the timeline anticipated, the Company’s ability to complete the Form 10-Q and Form 10-K within the anticipated time period, the Company’s ability to regain compliance with Nasdaq listing standards, the Company’s restructuring plan including potential cost-savings, autonomous driving being an emerging technology, the development of the Company’s technologies and products, the Company’s limited operating history in a new market, the regulations governing autonomous vehicles, changes in the Company’s board of directors and senior management, the Company’s dependence on its senior management team, reliance on third-party suppliers, potential product liability or warranty claims, the protection of the Company’s intellectual property, securities class action litigation, strategic alternatives for the Company’s Asia business, and government or regulatory policies, inquiries and actions. Moreover, the Company operates in a competitive and rapidly changing environment, and new risks may emerge from time to time. The foregoing list of factors is not exhaustive.

You should carefully consider the foregoing factors and the other risks and uncertainties described under the caption “Risk Factors” in our most recent annual report on Form 10-K, filed with the SEC on February 24, 2022, and the Company’s other filings with the SEC. These SEC filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. We do not give any assurance that we will achieve our expectations.

SOURCE TuSimple Holdings, Inc.

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