UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-33277

MADRIGAL PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**04-3508648**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Four Tower Bridge 200 Barr Harbor Drive, Suite 200 West Conshohocken, Pennsylvania	
(Address of principal executive offices)	**19428 (Zip Code)**

Registrant's telephone number, including area code: (267) 824-2827

Former name, former address and former fiscal year, if changed since last report:

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 Par Value Per Share	**MDGL**	**The NASDAQ Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth

company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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 7(a)(2)(B) of the Securities Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 28, 2025, the registrant had 22,203,282 shares of common stock outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") includes "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, that are based on our beliefs and assumptions and on information currently available to us, but are subject to factors beyond our control Forward-looking statements: reflect management's current knowledge, assumptions, judgment and expectations regarding future performance or events; include all statements that are not historical facts; and can be identified by terms such as "accelerate," "achieve," "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "goal," "believes," "estimates," "positions," "predictive," "projects," "predicts," "intends," "potential," "continue," "seeks" and similar expressions and the negatives of those terms. In particular, forward-looking statements contained in this Quarterly Report relate to, among other things:

- our ability to successfully commercialize Rezdiffra, our only approved product, in the United States for the treatment of metabolic dysfunction-associated steatohepatitis ("MASH") with moderate to advanced liver fibrosis (consistent with stages F2 to F3 fibrosis);
- our ability to obtain and maintain full approval for Rezdiffra from the U.S. Food and Drug Administration (the "FDA"), including our ability to successfully, or in a timely manner, report positive results from either of our outcomes trials, which is required for full approval for Rezdiffra;
- our ability to obtain and maintain regulatory approval to expand Rezdiffra's indication to a broader MASH patient population;
- our expectations regarding the degree of market acceptance of Rezdiffra by physicians, patients, third-party payors and others in the healthcare community, our ability to obtain and maintain adequate reimbursement from government and third-party payors for Rezdiffra or acceptable prices for Rezdiffra and Rezdiffra's potential sector leadership;
- our ability to obtain, at all or in a timely manner, regulatory approvals for Rezdiffra in Europe and our ability to effectively scale our operations in Europe to successfully commercialize Rezdiffra, subject to European Commission approval;
- our possible or assumed future business strategies and plans (including potential ex-U.S. commercial or partnering opportunities) and potential growth opportunities and our ability to acquire or in-license new product candidates and technologies;
- our expectations related to clinical trials, including anticipated timing of receipt of data from our clinical trials, our ability to successfully conduct our current or any future clinical trials necessary for regulatory approval and our ability to delay certain research activities and related clinical expenses as necessary;
- our ability to establish and maintain an effective commercial organization, including sales and marketing representatives, and the ability of third parties on which we rely to manufacture sufficient quantities of Rezdiffra or any other future product candidate for our commercial or clinical needs;
- anticipated or estimated future results, including our future operating performance and financial position, estimates of our expenses and liquidity and our ability to raise additional capital as needed, our ability to achieve or maintain profitability, our ability to comply with the covenants included in our loan facility and our ability to comply with our obligations under our agreements related to Rezdiffra, including our license agreement with Hoffman-La-Roche; and
- the regulation of the healthcare industry, including potential pricing reform, and general economic conditions in the United states, Europe and globally, including the impact of tariffs and inflation, that may affect us, our suppliers, third-party service providers and potential partners.

These forward-looking statements reflect management's current views with respect to future events and with respect to our business and future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those described under Part I, Item IA, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and Part II, Item 1A, "Risk Factors" in this Quarterly Report and elsewhere in this Quarterly Report. Other sections of this Quarterly Report may include additional factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all risk factors, nor can we assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking

statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You are advised, however, to consult any further disclosure we make in our reports filed with the U.S. Securities and Exchange Commission.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

MADRIGAL PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited; in thousands, except share and per share amounts)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 183,646	$ 100,019
Restricted cash	5,000	5,000
Marketable securities	659,422	826,232
Trade receivables, net	61,428	53,822
Inventory	55,241	34,068
Prepaid expenses and other current assets	23,242	13,786
Total current assets	987,979	1,032,927
Property and equipment, net	1,901	2,190
Intangible assets, net	4,639	4,729
Right-of-use asset	2,110	2,401
Total assets	$ 996,629	$ 1,042,247
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 42,056	$ 43,599
Accrued liabilities	124,165	124,695
Lease liability	1,016	983
Total current liabilities	167,237	169,277
Long term liabilities:		
Loan payable, net of discount	118,005	117,569
Lease liability	750	1,018
Total long term liabilities	118,755	118,587
Total liabilities	285,992	287,864
Stockholders' equity:		
Preferred stock, par value $0.0001 per share authorized: 5,000,000 shares at March 31, 2025 and December 31, 2024; 2,369,797 and 2,369,797 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	—	—
Common stock, par value $0.0001 per share authorized: 200,000,000 at March 31, 2025 and December 31, 2024; 22,187,716 and 22,004,679 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	2	2
Additional paid-in-capital	2,585,666	2,556,095
Accumulated other comprehensive income	389	468
Accumulated deficit	(1,875,420)	(1,802,182)
Total stockholders' equity	710,637	754,383
Total liabilities and stockholders' equity	$ 996,629	$ 1,042,247

See accompanying notes to unaudited condensed consolidated financial statements.

MADRIGAL PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2025	2024
Revenues:		
Product revenue, net	$ 137,250	$ —
Operating expenses:		
Cost of sales	4,513	—
Research and development	44,172	71,237
Selling, general and administrative	167,876	80,800
Total operating expenses	216,561	152,037
Loss from operations	(79,311)	(152,037)
Interest income	9,370	8,334
Interest expense	(3,297)	(3,838)
Net loss	$ (73,238)	$ (147,541)
Net loss per common share:		
Basic and diluted net loss per common share	$ (3.32)	$ (7.38)
Basic and diluted weighted average number of common shares outstanding	22,091,314	20,001,569

See accompanying notes to unaudited condensed consolidated financial statements.

MADRIGAL PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2025	2024
Net Loss	$ (73,238)	$ (147,541)
Other comprehensive income (loss):		
Unrealized loss on available-for-sale securities	(111)	(640)
Unrealized foreign currency gain	32	—
Comprehensive loss	$ (73,317)	$ (148,181)

See accompanying notes to unaudited condensed consolidated financial statements.

MADRIGAL PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited; in thousands, except share and per share amounts)

	Preferred stock		Common stock		Additional paid-in Capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2024	2,369,797	$ —	22,004,679	$ 2	$2,556,095	$ 468	$(1,802,182)	$ 754,383
Issuance of common stock under equity plans	—	—	183,037	—	8,640	—	—	8,640
Stock-based compensation expense related to equity-classified awards	—	—	—	—	20,931	—	—	20,931
Unrealized loss on marketable securities and foreign currency	—	—	—	—	—	(79)	—	(79)
Net loss	—	—	—	—	—	—	(73,238)	(73,238)
Balance at March 31, 2025	2,369,797	$ —	22,187,716	$ 2	$2,585,666	$ 389	$(1,875,420)	$ 710,637
Balance at December 31, 2023	2,369,797	$ —	19,875,427	$ 2	$1,741,153	$ 468	$(1,336,290)	$ 405,333
Issuance of common shares and sale of warrants in equity offerings, excluding to related parties, net of transaction costs	—	—	750,000	—	311,560	—	—	311,560
Sale of warrants to related parties in equity offerings, exercise of common stock options, and restricted stock vesting, net of transaction costs	—	—	59,236	—	262,145	—	—	262,145
Stock-based compensation expense related to equity-classified awards	—	—	—	—	19,902	—	—	19,902
Unrealized loss on marketable securities	—	—	—	—	—	(640)	—	(640)
Net loss	—	—	—	—	—	—	(147,541)	(147,541)
Balance at March 31, 2024	2,369,797	$ —	20,684,663	$ 2	$2,334,760	$ (172)	$(1,483,831)	$ 850,759

See accompanying notes to unaudited condensed consolidated financial statements.

MADRIGAL PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2025	**2024**
Cash flows from operating activities:		
Net loss	$ (73,238)	$ (147,541)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	20,931	19,902
Depreciation and amortization expense	379	168
Amortization of debt issuance costs and discount	436	655
Amortization and interest accretion related to operating leases	56	—
Changes in operating assets and liabilities:		
Trade receivables, net	(7,606)	—
Prepaid expenses and other current assets	(9,456)	(10,885)
Inventory	(21,173)	(854)
Accounts payable	(1,543)	(11,513)
Accrued liabilities	(530)	2,291
Accrued interest, net of interest received on maturity of investments	2,853	(1,380)
Net cash used in operating activities	(88,891)	(149,157)
Cash flows from investing activities:		
Purchases of marketable securities	(130,812)	(84,197)
Sales and maturities of marketable securities	294,690	182,607
Acquisition of intangible asset	—	—
Purchases of property and equipment, net of disposals	—	(357)
Net cash provided by investing activities	163,878	98,053
Cash flows from financing activities:		
Proceeds from issuances of stock, excluding related parties, net of transaction costs	8,640	311,561
Proceeds from related parties - warrants, exercise of common stock options, net of transaction costs	—	262,145
Net cash provided by financing activities	8,640	573,706
Net increase in cash, cash equivalents, and restricted cash	83,627	522,602
Cash, cash equivalents, and restricted cash at beginning of period	105,019	99,915
Cash, cash equivalents, and restricted cash at end of period	$ 188,646	$ 622,517
Supplemental disclosure of cash flow information:		
Intangible assets in accounts payable at the end of the period	$ —	$ 5,000

See accompanying notes to unaudited condensed consolidated financial statements.

MADRIGAL PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization, Business, and Basis of Presentation

Organization and Business

Madrigal Pharmaceuticals, Inc. (the "Company" or "Madrigal") is a biopharmaceutical company focused on delivering novel therapeutics for metabolic dysfunction-associated steatohepatitis ("MASH"), a serious liver disease with high unmet medical need that can lead to cirrhosis, liver failure and premature mortality. MASH was previously known as nonalcoholic steatohepatitis ("NASH"). In 2023, global liver disease medical societies and patient groups came together to rename the disease, with the goal of establishing an affirmative, non-stigmatizing name and diagnosis. The U.S. Food and Drug Administration (the "FDA") considers the term NASH interchangeable with MASH. MASH is expected to become the leading cause of liver transplantation in the United States and is already the leading cause of liver transplantation among women in the United States. The Company's medication, Rezdiffra (resmetirom), is a once-daily, oral, liver-directed thyroid hormone receptor beta ("THR-β") agonist designed to target key underlying causes of MASH. In March 2024, Rezdiffra became the first and only FDA-approved therapy for patients with MASH and was commercially available in the United States beginning in April 2024. Rezdiffra is indicated in conjunction with diet and exercise for the treatment of adults with noncirrhotic MASH with moderate to advanced liver fibrosis (consistent with stages F2 to F3 fibrosis).

Basis of Presentation

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted. Accordingly, the unaudited condensed consolidated financial statements do not include all information and footnotes required by GAAP for complete annual financial statements. However, the Company believes that the disclosures included in these financial statements are adequate to make the information presented not misleading. The unaudited condensed consolidated financial statements, in the opinion of management, reflect all adjustments, which include normal recurring adjustments, necessary for a fair statement of such interim results. The interim results are not necessarily indicative of the results that the Company will have for the full year ending December 31, 2025 or any subsequent period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes to those financial statements for the year ended December 31, 2024.

2. Summary of Significant Accounting Policies

Principle of Consolidation

The accompanying unaudited consolidated financial statements have been prepared in conformity with GAAP and include accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods. The Company bases its estimates on historical experience and various other assumptions that management believes to be reasonable under the circumstances. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606 - Revenue from Contracts with Customers ("ASC 606"). Revenue is recognized at a point in time when the customer obtains control of promised goods or services in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligation(s) in

the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the Company satisfies its performance obligation(s).

Product Revenue, Net

On March 14, 2024, the Company announced that the FDA granted accelerated approval of Rezdiffra (resmetirom) in conjunction with diet and exercise for the treatment of adults with MASH with moderate to advanced liver fibrosis (consistent with stages F2 to F3 fibrosis). The Company enters into agreements with specialty pharmacies and specialty distributors (each a "Customer" and collectively the "Customers") to sell Rezdiffra in the U.S. Revenues from product sales are recognized when the Customer obtains control of the Company's product, which occurs at a point in time, typically upon delivery to the Customer.

Revenue is recorded net of variable consideration, which includes prompt pay discounts, returns, chargebacks, rebates, and co-payment assistance. The variable consideration is estimated based on contractual terms as well as management assumptions. The amount of variable consideration is calculated by using the expected value method, which is the sum of probability-weighted amounts in a range of possible outcomes, or the most likely amount method, which is the single most likely amount in a range of possible outcomes. Estimates are reviewed quarterly and adjusted as necessary.

Accruals are established for gross to net deductions and actual amounts incurred are offset against applicable accruals. The Company reflects these accruals as either a reduction in the related account receivable from the customer or as an accrued liability, depending on the means by which the deduction is settled. Sales deductions are based on management's estimates that involve a substantial degree of judgment.

Prompt Pay: Customers receive a prompt pay discount for payments made within a contractually agreed number of days before the due date. The discounts are accounted for as a reduction of the transaction price and recorded as a contra receivable.

Returns: The Company records allowances for product returns as a reduction of revenue at the time product sales are recorded. Product returns are estimated based on forecasted sales and historical and industry data. Returns are permitted in accordance with the return of goods policy defined within each customer agreement. A returns reserve is recorded as an accrued liability.

Chargebacks: The Company estimates obligations resulting from contractual commitments with the government and other entities to sell products to qualified healthcare providers at prices lower than the list prices charged to the customer who directly purchases from the Company. The customer charges the Company for the difference between what it pays to the Company for the product and the selling price to the qualified healthcare providers, with the difference recorded as a contra receivable.

Co-Payment Assistance: Co-payment assistance programs are offered to eligible end-users as price concessions and are recorded as accrued liabilities and a reduction of the transaction price. The Company uses a third-party to administer the co-payment program for pharmacy benefit claims.

Rebates: The Company is subject to discount obligations under government programs, including Medicaid and Medicare. Reserves for rebates are recorded in the same period the related product revenue is recognized, resulting in a reduction of product revenues and a current liability that is included in accrued expenses on the consolidated balance sheet. The Company's estimate for rebates is based on statutory discount rates, expected utilization or an estimated number of patients on treatment, as applicable.

Trade Receivables, Net

The Company's trade receivables relate to amounts due from Customers related to product sales and are recorded net of prompt pay discounts and chargebacks. The Company assesses collectability of overdue receivables and those determined to be uncollectible are written-off. As of March 31, 2025, there were no receivables written off.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents. The Company maintains its cash in bank accounts, the balance of which, at times, exceeds Federal Deposit Insurance Corporation insured limits.

The primary objective of the Company's investment activities is to preserve its capital for the purpose of funding operations and the Company does not enter into investments for trading or speculative purposes. The Company's cash is deposited in highly rated financial institutions predominantly in the United States. The Company invests in money market funds and high-grade, commercial paper and corporate bonds, which management believes are subject to minimal credit and market risk.

Marketable Securities

Marketable securities consist of investments in high-grade corporate obligations and government and government agency obligations that are classified as available-for-sale. Since these securities are available to fund current operations, they are classified as current assets on the consolidated balance sheets.

The Company adjusts the cost of available-for-sale debt securities for amortization of premiums and accretion of discounts to maturity. The Company includes such amortization and accretion as a component of interest income, net. Realized gains and losses and declines in value, if any, that the Company judges to be the result of impairment or as a result of recognizing an allowance for credit losses on available-for-sale securities are reported as a component of interest income. To determine whether an impairment exists, the Company considers whether it intends to sell the debt security and, if the Company does not intend to sell the debt security, it considers available evidence to assess whether it is more likely than not that it will be required to sell the security before the recovery of its amortized cost basis. During the three months ended March 31, 2025 and 2024, the Company determined it did not have any securities that were other-than-temporarily impaired.

Marketable securities are stated at fair value, including accrued interest, with their unrealized gains and losses included as a component of accumulated other comprehensive income or loss, which is a separate component of stockholders' equity. The fair value of these securities is based on quoted prices and observable inputs on a recurring basis. Realized gains and losses are determined on the specific identification method. During the three months ended March 31, 2025 and 2024, realized gains and losses on marketable securities were not material.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash equivalents and marketable securities, approximate their fair values. The fair value of the Company's financial instruments reflects the amounts that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has the following three levels:

Level 1—quoted prices in active markets for identical assets and liabilities.

Level 2—observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3—unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability.

Financial assets and liabilities are classified in their entirety within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The Company measures the fair value of its marketable securities by taking into consideration valuations obtained from third-party pricing sources. The pricing services utilize industry standard valuation models, including both income and market based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker-dealer quotes on the same or similar securities, issuer credit spreads, benchmark securities and other observable inputs.

As of March 31, 2025, the Company's financial assets valued based on Level 1 inputs consisted of cash and cash equivalents in a money market fund, its financial assets valued based on Level 2 inputs consisted of high-grade corporate and government agency bonds and commercial paper, and it had no financial assets valued based on Level 3 inputs. During the three months ended March 31, 2025 and 2024, the Company did not have any transfers of financial assets between Levels 1 and 2. As of March 31, 2025 and December 31, 2024, the Company did not have any financial liabilities that were recorded at fair value on a recurring basis on the balance sheet.

Inventory

Inventory, which consists of work in process and finished goods, is stated at the lower of cost or estimated net realizable value, using actual cost, based on a first-in, first-out method. The balance sheet classification of inventory as

current or non-current is determined by whether the inventory will be consumed within the Company's normal operating cycle. The Company analyzes its inventory levels quarterly and writes down inventory subject to expiry or in excess of expected requirements, or that has a cost basis in excess of its expected net realizable value. These write downs are charged to cost of sales in the accompanying Consolidated Statements of Income. The Company capitalizes inventory costs when future commercial sale in the ordinary course of business is probable.

The Company considered regulatory approval of its product candidate to be uncertain and product manufactured prior to regulatory approval could not have been sold unless regulatory approval was obtained. As such, the manufacturing costs incurred prior to regulatory approval were not capitalized as inventory, but rather were expensed as incurred as research and development expenses. The Company began capitalizing inventory in March 2024 after FDA approval was granted for Rezdiffra.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs are comprised of costs incurred in performing research and development activities, including internal costs (including cash compensation and stock-based compensation), costs for consultants, milestone payments under licensing agreements, and other costs associated with the Company's preclinical and clinical programs. In particular, the Company has conducted safety studies in animals, optimized and implemented the manufacturing of its drug, and conducted clinical trials, all of which are considered research and development expenditures. Management uses significant judgment in estimating the amount of research and development costs recognized in each reporting period. Management analyzes and estimates the progress of its clinical trials, completion of milestone events per underlying agreements, invoices received and contracted costs when estimating the research and development costs to accrue in each reporting period. Actual results could differ from the Company's estimates.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of salaries, benefits and stock-based compensation expenses for employees, management costs, costs associated with obtaining and maintaining our patent portfolio, commercial and marketing activities, advertising, corporate insurance, professional fees for accounting, auditing, consulting and legal services and allocated overhead expenses.

Leases

The Company determines if an arrangement is a lease at contract inception. All leases are classified as operating leases. Lease assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the leasing arrangement. Operating lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When an implicit rate is not readily determinable, an incremental borrowing rate is estimated based on information available at commencement. Lease expense is recognized on a straight-line basis over the lease term. Short-term leases of twelve months or less at commencement date are expensed on a straight-line basis over the lease term.

Patents

Costs to secure and defend patents are expensed as incurred and are classified as selling, general and administrative expense in the Company's consolidated statements of operations.

Intangible Assets

Intangible assets with finite lives are amortized to cost of sales over their estimated useful lives using the straight-line method. Intangible assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Stock-Based Compensation

The Company recognizes stock-based compensation expense based on the grant date fair value of stock options, restricted stock units, and other stock-based compensation awards granted to employees, officers, directors, and consultants. Awards that vest as the recipient provides service are expensed on a straight-line basis over the requisite service period.

The Company uses the Black-Scholes option pricing model to determine the grant date fair value of stock options as management believes it is the most appropriate valuation method for its option grants. The Black-Scholes model requires inputs for risk-free interest rate, dividend yield, volatility and expected lives of the options. The expected lives for options granted represent the period of time that options granted are expected to be outstanding. The Company uses the simplified method for determining the expected lives of options. Expected volatility is based upon an industry estimate or blended rate including the Company's historical trading activity. The risk-free rate for periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The Company estimates the forfeiture rate based on historical data. This analysis is re-evaluated at least annually and the forfeiture rate is adjusted as necessary.

For other stock-based compensation awards granted to employees and directors that vest based on market conditions, such as the trading price of the Company's common stock achieving or exceeding certain price targets, the Company uses a Monte Carlo simulation model to estimate the grant date fair value and recognize stock compensation expense over the derived service period. The Monte Carlo simulation model requires key inputs for risk-free interest rate, dividend yield, volatility, and expected life.

The assumptions used in computing the fair value of equity awards reflect the Company's best estimates but involve uncertainties related to market and other conditions. Changes in any of these assumptions may materially affect the fair value of awards granted and the amount of stock-based compensation recognized.

Certain of the employee stock options granted by the Company are structured to qualify as incentive stock options ("ISOs"). Under current tax regulations, the Company does not receive a tax deduction for the issuance, exercise or disposition of ISOs if the employee meets certain holding requirements. If the employee does not meet the holding requirements, a disqualifying disposition occurs, at which time the Company may receive a tax deduction. The Company does not record tax benefits related to ISOs unless and until a disqualifying disposition is reported. In the event of a disqualifying disposition, the entire tax benefit is recorded as a reduction of income tax expense. The Company has not recognized any income tax benefit for its stock-based compensation arrangements due to the fact that the Company does not believe it is more likely than not it will realize the related deferred tax assets.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740, "Income Taxes", which prescribes the use of the liability method where deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value if it is more likely than not that a portion or all of the deferred tax assets will not be realized based on the weight of available positive and negative evidence. The Company currently maintains a 100% valuation allowance on its deferred tax assets.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The difference between the Company's net income (loss) and comprehensive income (loss) includes changes in unrealized gains and losses on marketable securities and unrealized foreign currency translation adjustments.

Basic and Diluted Loss Per Common Share

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed using the weighted average number of common shares outstanding and the weighted average dilutive potential common shares outstanding using the treasury stock method. However, for the three months ended March 31, 2025 and 2024, diluted net loss per share is the same as basic net loss per share because the inclusion of weighted average shares of common stock issuable upon the exercise of stock options and warrants or vesting of restricted stock units, and common stock issuable upon the conversion of preferred stock would be anti-dilutive. The

following table summarizes outstanding securities not included in the computation of diluted net loss per common share, as their inclusion would be anti-dilutive:

	Outstanding at March 31,	
	2025	2024
Common stock options	1,526,018	2,458,227
Restricted stock units	694,995	530,671
Performance-based restricted stock units	292,970	252,404
Preferred stock	2,369,797	2,369,797
Warrants	3,625,244	3,625,244

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which enhances the disclosures required for operating segments in the Company's annual and interim consolidated financial statements. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods beginning after December 15, 2024. The Company adopted ASU 2023-07 for its Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the U.S. Securities and Exchange Commission on February 26, 2025.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which enhances the disclosures required for income taxes in the Company's annual consolidated financial statements. The amendments are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company does not expect the adoption of ASU 2023-09 to have a significant impact on its financial statements.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses ("ASU 2024-03"), which applies to all public entities and requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. Public entities must adopt the new standard prospectively for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption and retrospective application are permitted. The Company is currently evaluating the impact of ASU 2024-03 on its financial statements.

3. Liquidity and Uncertainties

The Company is subject to risks common to development stage companies and early commercial companies in the biopharmaceutical industry including, but not limited to, uncertainty of product development and commercialization, dependence on key personnel, uncertainty of market acceptance of products and product reimbursement, product liability, uncertain protection of proprietary technology, potential inability to raise additional financing necessary for development and commercialization, and compliance with the FDA and other government regulations.

The Company has incurred losses since inception, including approximately $73.2 million for the three months ended March 31, 2025, resulting in an accumulated deficit of approximately $1,875.4 million as of March 31, 2025. To date, the Company has funded its operations primarily through proceeds from sales of the Company's capital stock and debt financings. In March 2024, the FDA approved Rezdiffra in the U.S. for the treatment of adults with noncirrhotic MASH with moderate to advanced liver fibrosis (consistent with stages F2 to F3 fibrosis). Rezdiffra became commercially available in the U.S. in April 2024. Management expects to incur losses until the Company is able to generate sufficient revenue from Rezdiffra and any other approved products. The Company believes that its cash, cash equivalents and marketable securities at March 31, 2025 will be sufficient to fund operations past one year from the issuance of these financial statements. The Company's future long-term liquidity requirements will be substantial and will depend on many factors, including the Company's ability to effectively commercialize Rezdiffra, the Company's decisions regarding future geographic expansion, the conduct of any future preclinical studies and clinical trials and the Company entering into any strategic transactions. To meet its future capital needs, the Company may need to raise additional capital through debt or equity financings, collaborations, partnerships or other strategic transactions. However, there can be no assurance that the Company will be able to complete any such transactions on acceptable terms or otherwise. The inability of the Company to obtain sufficient funds on acceptable terms when needed, if at all, could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has the ability to delay certain commercial activities, geographic expansion activities, and certain research activities and related clinical expenses if necessary due to liquidity concerns until a date when those concerns are relieved.

4. Product Revenue, Net

The following table summarizes balances and activity for gross to net reserves (in thousands):

	Chargebacks, Discounts for Prompt Pay and Other Allowances	Rebates, Customer Fees/Credits, Co-Pay Assistance, and Other	Totals
Balance at December 31, 2024	$ 4,188	$ 21,703	$ 25,891
Provision related to sales in the current year	5,239	29,380	34,619
Adjustments related to prior year sales	(1,066)	(329)	(1,395)
Payments and customer credits issued	(3,866)	(17,385)	(21,251)
Balance at March 31, 2025	$ 4,495	$ 33,369	$ 37,864

Concentrations of Credit Risk and Significant Customers

The Company generates revenue from a small number of large, reputable customers. The following customers accounted for over 10% of total gross product revenue during the three months ended March 31, 2025. As Rezdiffra was made commercially available in April 2024, there were no sales and no corresponding customer concentrations for the comparable period in 2024.

	Three Months Ended March 31,	
	2025	2024
Customer A	34 %	— %
Customer B	23 %	— %
Customer C	15 %	— %
Customer D	10 %	— %

5. Cash, Cash Equivalents, Restricted Cash and Marketable Securities

The Company held restricted cash of $5.0 million as of March 31, 2025 and December 31, 2024 as collateral to its corporate credit card program.

A summary of cash, cash equivalents and available-for-sale marketable securities held by the Company as of March 31, 2025 and December 31, 2024 is as follows (in thousands):

	March 31, 2025			
	Cost	Unrealized gains	Unrealized losses	Fair value
Cash (Level 1)	$ 34,902	$ —	$ —	$ 34,902
Money market funds (Level 1)	65,543	—	—	65,543
Corporate debt securities due within 3 months of date of purchase (Level 2)	88,201	—	—	88,201
Total cash and cash equivalents	188,646	—	—	188,646
Marketable securities:				
Corporate debt securities due within 1 year of date of purchase (Level 2)	340,305	51	(35)	340,321
U.S. government and government sponsored entities due within 1 year of date of purchase (Level 2)	273,004	244	(43)	273,205
U.S. government and government sponsored entities due within 1 to 2 years of date of purchase (Level 2)	40,547	132	—	40,679
Corporate debt securities due within 1 to 2 years of date of purchase (Level 2)	5,209	8	—	5,217
Total cash, cash equivalents, restricted cash and marketable securities	$ 847,711	$ 435	$ (78)	$ 848,068

	December 31, 2024			
	Cost	Unrealized gains	Unrealized losses	Fair value
Cash and cash equivalents:				
Cash (Level 1)	$ 24,495	$ —	$ —	$ 24,495
Money market funds (Level 1)	65,302	—	—	65,302
US government and government sponsored entities (Level 1)	12,711	—	—	12,711
Corporate debt securities due within 3 months of date of purchase (Level 2)	2,511	—	—	2,511
Total cash and cash equivalents	105,019	—	—	105,019
Marketable securities:				
Corporate debt securities due within 1 year of date of purchase (Level 2)	367,950	190	(64)	368,076
US government and government sponsored entities due within 1 year of date of purchase (Level 2)	382,793	279	(62)	383,010
US government and government sponsored entities due within 1 to 2 years of date of purchase (Level 2)	71,739	156	(25)	71,870
Corporate debt securities due within 1 to 2 years of date of purchase (Level 2)	3,282	—	(6)	3,276
Total cash, cash equivalents, restricted cash and marketable securities	$ 930,783	$ 625	$ (157)	$ 931,251

6. Inventory

The following table summarizes the Company's inventory balances as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Raw materials	$ —	$ —
Work in process	50,969	29,533
Finished goods	4,272	4,535
Total	$ 55,241	$ 34,068

There was no provision for excess inventory recorded as of March 31, 2025 or December 31, 2024.

7. Accrued Liabilities

Accrued liabilities as of March 31, 2025 and December 31, 2024 consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Contract research organization costs	$ 24,375	$ 30,250
Other clinical study related costs	2,026	2,161
Manufacturing and drug supply	5,278	9,941
Compensation and benefits	18,272	34,957
Professional fees	27,733	17,512
Gross to net accrued liabilities	33,369	21,703
Other	13,112	8,171
Total accrued liabilities	$ 124,165	$ 124,695

8. Long Term Debt

In May 2022, the Company and its wholly-owned subsidiary, Canticle Pharmaceuticals, Inc., entered into the $250.0 million loan facility (the "Loan Facility") with the several banks and other financial institutions or entities party thereto (collectively, the "Lenders"), and Hercules Capital, Inc. ("Hercules"), in its capacity as administrative agent and collateral agent for itself and the Lenders. Under the terms of the Loan Facility, the first $50.0 million tranche was drawn at closing. The Company also could draw up to an additional $125.0 million in two separate tranches upon achievement of certain resmetirom clinical and regulatory milestones. A fourth tranche of $75.0 million could have been drawn by the Company, subject to the approval of Hercules. The Loan Facility had a minimum interest rate of 7.45% and adjusted with changes in the prime rate. The Company was originally scheduled to pay interest-only monthly payments of accrued interest under the Loan Facility through May 1, 2025, for a period of 36 months. In March 2024, the interest-only period was extended to May 1, 2026 when the Company achieved a milestone when Rezdiffra received FDA approval. The interest only period was further extended to May 3, 2027, upon the achievement of a revenue milestone, subject to compliance with applicable covenants, that were met as of December 31, 2024. The Loan Facility originally matured in May 2026, but the maturity date was extended to May 2027 when the Company achieved a milestone upon receipt of FDA approval for Rezdiffra in March 2024. The Loan Facility is secured by a security interest in substantially all of the Company's assets, other than intellectual property. It includes an end of term charge of 5.35% of the aggregate principal amount, which is accounted for in the loan discount. In connection with the first tranche drawn at closing, the Company issued Hercules a warrant to purchase 14,899 shares of Company common stock, which had a Black-Scholes value of $0.6 million.

On February 3, 2023, the Company entered into the First Amendment (the "First Amendment") to the Loan Facility (as amended, the "Amended Loan Facility"). Under the Amended Loan Facility, an additional $35.0 million was drawn under a second, expanded, $65.0 million tranche ("Tranche 2") in February of 2023 following the Company's achievement of the Phase 3 clinical development milestone. An additional $15.0 million was drawn under Tranche 2 in June of 2023. The remaining $15.0 million available under Tranche 2 was drawn in September of 2023 in accordance with the Amended Loan Facility.

The third tranche ("Tranche 3") of $75.0 million was unchanged by the First Amendment, and such borrowings became available when the Company achieved a milestone with FDA approval for Rezdiffra in March 2024. The Company did not elect to draw Tranche 3 before it expired in June 2024, but subsequently entered into an amendment to extend the availability of these funds in August 2024. Coincident with the expansion of Tranche 2 borrowing capacity by $15.0 million, the First Amendment reduced the fourth tranche under the Loan Facility ("Tranche 4") by $15.0 million to $60.0 million.

In connection with the $35.0 million drawn under Tranche 2 at the closing of the First Amendment, $15.0 million drawn in June of 2023, and $15.0 million drawn in September 2023, the Company issued to Hercules and affiliates warrants to purchase an aggregate of 4,555 shares of common stock, which had a Black-Scholes value of $0.9 million. The First Amendment reduced the interest rate under the Amended Loan Facility to the greater of (i) the prime rate as reported in The Wall Street Journal plus 2.45% and (ii) 8.25%. The First Amendment and the Amended Loan Facility summary terms were disclosed in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2023.

On August 22, 2024, the Company entered into the Second Amendment (the "Second Amendment") to the Loan Facility (as amended by the First Amendment and the Second Amendment, the "Second Amended Loan Facility"). Under the Second Amended Loan Facility, the Company's borrowing capacity available under Tranche 4 is increased to include the $75.0 million available under Tranche 3 that was not utilized by the Company. After such increase, the Company's current borrowing capacity is $135.0 million under Tranche 4, which is available subject to Hercules' sole discretion.

The Loan Facility includes affirmative and restrictive financial covenants which commenced on January 1, 2023, including maintenance of a minimum cash, cash equivalents and liquid funds covenant of $35.0 million, which may decrease in certain circumstances if the Company achieves certain clinical milestones and a revenue milestone. The Loan Facility also includes a revenue-based covenant that could apply commencing at or after the time that financial reporting became due for the quarter ended September 30, 2024, however, the revenue-based covenant will be automatically waived pursuant to the terms of the Loan Facility at any time in which the Company maintains, as measured monthly, (i) a certain level of cash, cash equivalents and liquid funds relative outstanding debt under the Loan Facility or (ii) a market capitalization of at least $1.2 billion. The Loan Facility contains event of default provisions for: the Company's failure to make required payments or maintain compliance with covenants under the Loan Facility; the Company's breach of certain representations or default under certain obligations outside the Loan Facility; insolvency, attachment or judgment events affecting the Company; and any circumstance which has occurred or could reasonably be expected to have a material adverse effect on the Company, provided that, any failure to achieve a clinical milestone or approval milestone under the Loan Facility shall not in and of itself constitute a material adverse effect. The Loan Facility also includes customary covenants associated with a secured loan facility, including covenants concerning financial reporting obligations, and certain limitations on indebtedness, liens (including a negative pledge on intellectual property and other assets), investments, distributions (including dividends), collateral, investments, distributions, transfers, mergers or acquisitions, taxes, corporate changes, and deposit accounts.

As of March 31, 2025, the outstanding principal under the Loan Facility was $115.0 million. The interest rate as of March 31, 2025 was 9.95%. As of March 31, 2025, the Company was in compliance with all loan covenants and provisions.

Future minimum payments, including interest and principal, under the loans payable outstanding as of March 31, 2025 are as follows (in thousands):

Period Ending March 31, 2025:	Amount
2025	$ 8,741
2026	11,601
2027	126,016
Thereafter	—
	$ 146,358
Less amount representing interest	(25,206)
Less unamortized discount	(3,147)
Loans payable, net of discount	$ 118,005

9. Stockholders' Equity

Common Stock

Each common stockholder is entitled to one vote for each share of common stock held. The common stock will vote together with all other classes and series of stock of the Company as a single class on all actions to be taken by the Company's stockholders. Each share of common stock is entitled to receive dividends, as and when declared by the Company's Board of Directors (the "Board"). The Company has never declared cash dividends on its common stock and does not expect to do so in the foreseeable future.

Preferred Stock

The Company's Series A Preferred Stock and Series B Preferred Stock (together, the "Series A and B Preferred Stock") have a par value of $0.0001 per share and are convertible into shares of the Company's common stock at a one-to-one ratio, subject to adjustment as provided in the Certificates of Designation of Preferences, Rights and Limitations of Series A Preferred Stock and Series B Preferred Stock that the Company filed with the Secretary of State of the State of Delaware on June 21, 2017 and December 22, 2022, respectively. The terms of the Series A and B Preferred Stock are set forth in such Certificates of Designation. Each share of the Series A and B Preferred Stock is convertible into shares of common stock following notice that may be given at the holder's option. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, after the satisfaction in full of the debts of the Company and the payment of any liquidation preference owed to the holders of shares of capital stock of the Company ranking prior to the Series A and B Preferred Stock upon liquidation, the holders of the Series A and B Preferred Stock shall participate pari passu with the holders of the common stock (on an as-if-converted-to-common-stock basis) in the net assets of the Company. Shares of the Series A and B Preferred Stock will generally have no voting rights, except as required by law. Shares of the Series A and B Preferred Stock will be entitled to receive dividends before shares of any other class or series of capital stock of the Company (other than dividends in the form of the common stock) equal to the dividend payable on each share of the common stock, on an as-converted basis.

2024 Public Offering

On March 18, 2024, the Company entered into an Underwriting Agreement with Goldman Sachs & Co. LLC, Jefferies LLC, Cowen and Company, LLC, Evercore Group L.L.C. and Piper Sandler & Co, as representatives of the several underwriters named therein (the "2024 Underwriters"), pursuant to which the Company sold to the 2024 Underwriters in an underwritten public offering (the "2024 Offering"): (i) 750,000 shares of common stock at a public offering price of $260.00 per share, (ii) pre-funded warrants (the "2024 Pre-Funded Warrants") to purchase 1,557,692 shares of common stock at a public offering price of $259.9999 per 2024 Pre-Funded Warrant, which represents the per share public offering price for the common stock less a $0.0001 per share exercise price for each such Pre-Funded Warrant, and (iii) a 30-day option for the 2024 Underwriters to purchase up to 346,153 additional shares of common stock at the public offering price of $260.00 per share (the "Underwriters' Option"). The 2024 Offering closed on March 21, 2024. The gross proceeds of the 2024 Offering was $600.0 million, and the Company received net proceeds, after deducting the underwriting discount and commissions and other estimated offering expenses payable by the Company, of approximately $574.0 million.

The Underwriters' Option was later exercised in full, and closed on April 2, 2024. The net proceeds to the Company for the exercise of the Underwriters' Option, after deducting the underwriting discounts and commissions and estimated offering expenses payable by the Company, was approximately $85.9 million.

The Company intends to use the net proceeds from the 2024 Offering for its commercial activities in connection with the launch of Rezdiffra in the United States and for general corporate purposes, including, without limitation, research and development expenditures, ongoing clinical trial expenditures, manufacture and supply of drug substance and drug products, potential ex-U.S. commercialization or partnering opportunities, potential acquisitions or licensing of new technologies, capital expenditures and working capital.

The 2024 Pre-Funded Warrants are exercisable at any time after the date of issuance. A holder of 2024 Pre-Funded Warrants may not exercise the warrant if the holder, together with its affiliates, would beneficially own more than 9.99% of the number of shares of common stock outstanding immediately after giving effect to such exercise. A holder of 2024 Pre-Funded Warrants may increase or decrease this percentage, but not in excess of 19.99%, by providing at least 61 days prior notice to the Company.

At-The-Market Issuance Sales Agreement

In June 2021, the Company entered into an at-the-market sales agreement (the "2021 Sales Agreement") with Cowen and Company, LLC ("Cowen"), pursuant to which the Company could, from time to time, issue and sell shares of its common stock. The 2021 Sales Agreement initially authorized an aggregate offering of up to $200.0 million in shares of the Company's common stock, at the Company's option, through Cowen as its sales agent. Sales of common stock through Cowen could be made by any method that is deemed an "at-the-market" offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including by means of ordinary brokers' transactions at market prices, in block transactions or as otherwise agreed by the Company and Cowen. Subject to the terms and conditions of the 2021 Sales Agreement, Cowen would use commercially reasonable efforts consistent with its normal trading and sales practices to sell the common stock based upon the Company's instructions (including any price, time or size limits or other customary parameters or conditions the Company imposed).

In May 2023, the Company entered into an amendment to the 2021 Sales Agreement (the "Sales Agreement Amendment"), with Cowen, pursuant to which the Company could, from time to time, issue and sell an additional $200.0 million in shares of its common stock, until it was terminated in May 2024. The Company was not obligated to make any sales of its common stock under this arrangement. Any shares sold would be sold pursuant to the Registration Statement and prospectus supplement filed pursuant to the Registration Statement. The 2021 Sales Agreement, as amended by the Sales Agreement Amendment, authorized sales of shares of the Company's common stock, from time to time, at the Company's option, through Cowen as its sales agent. Sales of common stock through Cowen may be made by any method that is deemed an "at-the-market" offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, and as described in the prospectus supplement.

Since the entry into the Sales Agreement Amendment in May 2023, the Company sold 98,101 shares in total under the 2021 Sales Agreement, as amended by the Sales Agreement Amendment, for an aggregate of $25.2 million in gross proceeds, with net proceeds to the Company of approximately $24.5 million after deducting commissions and other transaction costs. All shares were sold pursuant to the Company's effective Registration Statement and the prospectus supplement relating thereto. In total, the Company sold 1,334,044 shares of common stock having an aggregate offering price of $225.1 million pursuant to the 2021 Sales Agreement, as amended by the Sales Agreement Amendment.

In May 2024, the Company entered into a Sales Agreement (the "2024 Sales Agreement") with Cowen, replacing and superseding the 2021 Sales Agreement. The Company is authorized to issue and sell up to $300.0 million in shares of the Company's common stock under the 2024 Sales Agreement. The Company sold no shares in the three months ended March 31, 2025 under the 2024 Sales Agreement.

10. Stock-based Compensation

2015 Stock Plan

The Company's 2015 Stock Plan, as amended (the "2015 Stock Plan"), is one of the Company's equity incentive compensation plans through which equity based grants are awarded. The 2015 Stock Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock, restricted stock units and other stock-based compensation awards to employees, officers, directors, and consultants of the Company. The administration of the 2015 Stock Plan is under the general supervision of the Compensation Committee of the Board. The terms of stock options awarded under the 2015 Stock Plan, in general, are determined by the Compensation Committee, provided the exercise price per share generally shall not be set at less than the fair market value of a share of the common stock on the date of grant and the term shall not be greater than ten years from the date the option is granted. As of March 31, 2025, 722,608 shares were available for future issuance under the 2015 Stock Plan.

2023 Inducement Plan

In September 2023, the Company adopted the 2023 Inducement Plan (the "Inducement Plan"), pursuant to which the Company may from time to time make equity grants to new employees as a material inducement to their employment. The Inducement Plan was adopted without stockholder approval, pursuant to Nasdaq Listing Rule 5635(c)(4), and is administered by the Compensation Committee of the Board. The Inducement Plan provides for the granting of non-statutory stock options, restricted stock, restricted stock units, performance stock units and other stock-based compensation awards to new employees, but does not allow for the granting of incentive stock options. The terms of the stock options under the Inducement Plan, in general, are determined by the Compensation Committee, provided the exercise price per share generally shall not be set at less than the fair market value of a share of the common stock on the date of grant and the term shall not be greater than ten years from the date the option or award is granted. A total of 500,000 shares of the Company's common stock were reserved for issuance under the Inducement Plan. As of March 31, 2025, 25,956 shares were available for future issuance under the 2023 Inducement Plan.

Stock Options

The following table summarizes stock option activity during the three months ended March 31, 2025:

	Shares	Weighted average exercise price
Outstanding at December 31, 2024	1,528,143	$ 93.57
Options granted	99,202	342.11
Options exercised	(100,277)	88.83
Options cancelled	(1,050)	87.09
Outstanding at March 31, 2025	1,526,018	$ 110.04
Exercisable at March 31, 2025	1,150,985	$ 78.44

The total cash received by the Company as a result of stock option exercises was $8.6 million and $1.4 million, respectively, for the three months ended March 31, 2025 and 2024. The total intrinsic value of options exercised was $25.7 million and $3.8 million, respectively, for the three months ended March 31, 2025 and 2024. The weighted-average grant date fair values, based on the Black-Scholes option model, of options granted during the three months ended March 31, 2025 and 2024 were $203.05 and $152.05, respectively.

Restricted Stock Units

The Company's 2015 Stock Plan provides for awards of restricted stock units ("RSUs") to employees, officers, directors and consultants to the Company. The Company's Inducement Plan provides for awards of RSUs to new employees. RSUs vest over a period of months or years, or upon the occurrence of certain performance criteria or the attainment of stated goals or events, and are subject to forfeiture if employment or service terminates before vesting. As of March 31, 2025, the Company had 694,995 restricted stock units outstanding, with a weighted average grant date fair value of $278.75 per unit.

The following table summarizes RSU activity, excluding performance-based RSUs, during the three months ended March 31, 2025:

	Shares	Weighted average grant date fair value
Outstanding at December 31, 2024	499,559	$ 237.07
RSUs granted	285,451	345.21
RSUs vested	(81,564)	257.46
RSUs forfeited	(8,451)	262.40
Outstanding at March 31, 2025	694,995	$ 278.75

Performance-Based Restricted Stock Units

The Company has granted various performance-based restricted stock units ("PSUs") to certain senior personnel. Depending on the terms of the PSUs and the outcome of the pre-established performance criteria, which may include a market and/or performance condition, a recipient may ultimately earn the target number of PSUs granted or a specified multiple thereof at the end of the vesting period.

The following table summarizes PSU activity during the three months ended March 31, 2025:

	PSUs	Eligible to Earn PSUs	Weighted average grant date fair value
Outstanding PSUs at December 31, 2024	92,760	235,520	$ 257.77
PSUs granted	53,725	107,450	593.49
PSUs attained	(50,000)	(50,000)	146.37
PSUs forfeited	—	—	—
Outstanding at March 31, 2025	96,485	292,970	$ 502.43

Outstanding Awards

As of March 31, 2025, the Company had restricted stock units, performance stock units, and options outstanding pursuant to which an aggregate of 2,513,983 shares of its common stock may be issued pursuant to the terms of all awards granted under the 2015 Stock Plan and Inducement Plan.

Stock-Based Compensation Expense

Stock-based compensation expense during the three months ended March 31, 2025 and 2024 was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Stock-based compensation expense by type of award:		
Stock options	$ 5,439	$ 6,886
Restricted stock units	11,788	8,625
Performance-based restricted stock units	3,704	4,391
Total stock-based compensation expense	$ 20,931	$ 19,902
Effect of stock-based compensation expense by line item:		
Research and development	$ 5,215	$ 5,907
Selling, general and administrative	15,716	13,995
Total stock-based compensation expense included in net loss	$ 20,931	$ 19,902

Unrecognized stock-based compensation expense as of March 31, 2025 was $242.7 million with a weighted average remaining period of 3.12 years.

11. Commitments and Contingencies

The Company has entered into customary contractual arrangements and letters of intent in preparation for and in support of operations in the normal course of business. As of March 31, 2025, the Company had approximately $89.1 million of obligations under these agreements related to active pharmaceutical ingredient, which is expected to be paid through March 2027.

The Company has a Research, Development and Commercialization Agreement with Hoffmann-La Roche (“Roche”) which grants the Company a sole and exclusive license to develop, use, sell, offer for sale and import any Licensed Product as defined by the agreement.

The agreement requires future milestone payments to Roche. In March 2024, upon receiving FDA approval of Rezdiffra, a milestone was achieved and $5.0 million became due to Roche. Remaining milestones under the agreement total $3.0 million and are payable upon the Company achieving specified objectives related to future regulatory approval in Europe of resmetirom or a product developed from resmetirom. Furthermore, a tiered single-digit royalty is payable on net sales of resmetirom or a product developed from resmetirom, subject to certain reductions. The Company began accruing for royalty payments following its commercial launch of Rezdiffra in April 2024.

In 2019, the Company entered into an operating lease for office space located in West Conshohocken, Pennsylvania (the “Office Lease”), which was later updated by three amendments entered into from 2019 to 2022. In May 2023, the Company entered into the Fourth Amendment to the Office Lease, which did not have a financial impact. In August 2023, the Company entered into the Fifth Amendment to the Office Lease (the “Fifth Lease Amendment”). The Fifth Lease Amendment extended the term of the Office Lease through November 2026. As a result of the Fifth Lease Amendment, an incremental $1.6 million right-of-use asset and lease liabilities were recorded during the year ended December 31, 2023.

In April 2024 and May 2024, the Company entered into the Sixth Amendment and the Seventh Amendment to the Office Lease, respectively, leasing additional office space in the same premises under the Office Lease. The lease for the additional office space commenced in September 2024 and resulted in an incremental $1.2 million right-of-use asset and lease liability being recorded for the quarter ended March 31, 2025. In August 2024, the Company entered into the Eighth (the “Eighth Lease Amendment”) and in October 2024, the Company entered into the Ninth Amendment (the “Ninth Lease Amendment”) to the Office Lease further expanding the amount of office space in the same premises. The lease for the additional office space under the Eighth Lease Amendment and the Ninth Lease Amendment commenced in December 2024 and resulted in an incremental $0.2 million right-of-use asset and lease liability recorded.

12. Segment Information

The Company operates as one reportable segment focused on delivering novel therapeutics for metabolic dysfunction-associated steatohepatitis (“MASH”). The Company's Chief Executive Officer, as the chief operating decision maker ("CODM"), leads the Company in support of four core values—focus on the patient, having an owner mindset, the relentless pursuit of innovation and commitment to collaboration. To best align the Company with these values, the CODM reviews consolidated financials, along with qualitative information, to evaluate performance, manage and allocate resources, make operating decisions, and assess planning and forecasting on a total company basis. Assets, liabilities, and equity are reviewed and presented on the same level as the Company's consolidated balance sheet.

Management does not segment business operations for internal reporting or decision making purposes. As the Company has a single reporting segment, the segment accounting policies are the same as those at the Company level, as described in Note 2 "Summary of Significant Accounting Policies". As of March 31, 2025, the Company did not have revenue or material assets outside of the U.S.

The following table presents net income reported at the segment measure of profit and loss:

	Three Months Ended March 31,	
	2025	2024
Product revenue, net	$ 137,250	$ —
Cost of sales	(4,513)	—
Research and development - personnel and internal expense	(15,023)	(16,716)
Research and development - external expense	(29,149)	(54,521)
Selling, general and administrative	(167,876)	(80,800)
Other segment income (expense)[1]	6,073	4,496
Net loss	$ (73,238)	$ (147,541)

[1] Other segment expense includes interest income and interest expense.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read together with our unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q and our audited financial statements and accompanying notes for the year ended December 31, 2024 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

About Madrigal Pharmaceuticals, Inc.

We are a biopharmaceutical company focused on delivering novel therapeutics for metabolic dysfunction-associated steatohepatitis ("MASH"), a serious liver disease with high unmet medical need that can lead to cirrhosis, liver failure and premature mortality. MASH was previously known as nonalcoholic steatohepatitis ("NASH"). MASH is expected to become the leading cause of liver transplantation in the United States and is already the leading cause of liver transplantation among women in the United States. Our medication, Rezdiffra (resmetirom), is a once-daily, oral, liver-directed thyroid hormone receptor beta ("THR-β") agonist designed to target key underlying causes of MASH. In March 2024, Rezdiffra became the first and only therapy approved by the FDA for patients with MASH and was commercially available in the United States beginning in April 2024. Rezdiffra is indicated in conjunction with diet and exercise for the treatment of adults with noncirrhotic MASH with moderate to advanced liver fibrosis (consistent with stages F2 to F3 fibrosis). We are also evaluating Rezdiffra in patients with compensated MASH cirrhosis (consistent with F4c fibrosis) in our MAESTRO MASH OUTCOMES trial, that, if successful, could expand the eligible patient population for Rezdiffra.

The FDA's accelerated approval and Rezdiffra's approved prescribing information was supported by 52-week data from our Phase 3 MAESTRO-NASH trial in which both 100 mg and 80 mg doses of Rezdiffra demonstrated statistically significant improvement compared to placebo on (i) MASH resolution with no worsening of fibrosis and (ii) an improvement in fibrosis by at least one stage with no worsening of the nonalcoholic fatty liver disease ("NAFLD") activity score. As part of the post-marketing commitments agreed to with the FDA, MAESTRO-NASH remains ongoing as an outcomes trial where we are generating confirmatory outcomes data to 54-months that, if positive, is expected to verify a clinical benefit and support the full approval of Rezdiffra to treat noncirrhotic MASH. In addition, full approval of Rezdiffra to treat noncirrhotic MASH could also be based on results from our Phase 3 MAESTRO-NASH OUTCOMES trial. In this trial, we are assessing progression to liver decompensation events in patients with compensated MASH cirrhosis treated with Rezdiffra versus placebo. A positive outcome in this trial is also expected to support the full approval of Rezdiffra for noncirrhotic MASH, and expand the eligible patient population for Rezdiffra with an additional indication in patients with compensated MASH cirrhosis.

MASH Disease State Overview. MASH is a more advanced form of metabolic dysfunction-associated fatty liver disease ("MASLD"). MASLD has become the most common liver disease in the United States and other developed countries and is characterized by an accumulation of fat in the liver with no other apparent causes. MASH can progress to cirrhosis or liver failure, can require liver transplantation and can also result in liver cancer. Patients with MASH, especially those with more advanced metabolic risk factors (hypertension, concomitant type 2 diabetes), are at increased risk for adverse cardiovascular events and increased morbidity and mortality. In addition, MASH patients with moderate to advanced fibrosis (consistent with fibrosis stages F2 and F3) have a 10-to-17 times higher risk of liver-related mortality. Patients with compensated MASH cirrhosis (consistent with F4c fibrosis) have a 42-times higher risk of liver-related mortality.

Our Patient Focus. Based on published epidemiology data and an analysis of medical claims using ICD-10 disease diagnosis codes, we estimate that approximately 1.5 million patients have been diagnosed with MASH in the United States, of which approximately 525,000 have MASH with moderate to advanced fibrosis. We estimate that approximately 315,000 diagnosed patients with MASH with moderate to advanced fibrosis are under the care of approximately 14,000 specialist prescribers which we are targeting during the commercial launch of Rezdiffra. Over time, as disease awareness improves and disease prevalence increases, we expect the number of identified MASH patients with moderate to advanced fibrosis eligible for treatment to grow.

Given that Rezdiffra is a first-in-disease launch, we continue to focus our efforts on educating healthcare providers and patients on the risks of MASH and the potential clinical benefits and appropriate use of Rezdiffra. We are also supporting the creation of care pathways for patients at physician offices, driving breadth and depth of Rezdiffra prescribers and engaging with payors to support patient access to therapy.

We also expect to directly commercialize resmetirom in Europe if we receive a positive opinion from the Committee for Medicinal Products for Human Use and the subsequent grant of Conditional Marketing Authorization by the European Commission. A regulatory decision in the European Union is expected in mid-year 2025. The prevalence rate of MASH in Europe is similar to that of the United States. In the event of a positive decision, we expect to launch Rezdiffra in Europe on a country-by-country basis, commencing with Germany in the second half of 2025.

Corporate Development: We plan to selectively in-license or acquire rights to programs at all stages of development to take advantage of our drug development and commercial capabilities. With a goal of building a well-balanced and diversified portfolio, we assess a variety of factors for potential product candidates and technologies. Our criteria for possible acquisition or in-licensing opportunities include the rationale for addressing the targeted disease, likelihood of regulatory approval, commercial viability, intellectual property protection, prospects for favorable pricing and reimbursement and competition. We intend to be opportunistic in our business development activities to achieve our long-term strategic goals.

Key Developments

In February 2025, we announced positive two-year data from the open-label compensated MASH cirrhosis (consistent with stage F4c fibrosis) arm of the Phase 3 MAESTRO-NAFLD-1 trial of Rezdiffra. Patients treated with Rezdiffra achieved significant reductions in liver stiffness measured by vibration-controlled transient elastography (VCTE), which is associated with a lower risk of progression to end-stage liver disease.

In March 2025, Jacqualyn Fouse, Ph.D. was appointed to our Board of Directors. Dr. Fouse was previously Chief Executive Officer of Agios Pharmaceuticals, Inc. (“Agios”) from 2019 to 2022 and currently serves as the Chair of the Board of Directors of Agios. Prior to joining Agios, she served in executive leadership roles at Celgene Corporation, including President and Chief Operating Officer, President, Global Hematology & Oncology, and Chief Financial Officer.

In April 2025, we announced that David Soergel, M.D. was appointed as our Executive Vice President and Chief Medical Officer. Dr. Soergel previously served as Executive Vice President and Global Head of Cardiovascular, Renal and Metabolism Development at Novartis. Rebecca Taub, M.D., our Chief Medical Officer and President of Research & Development transitioned to the role of Senior Scientific and Medical Advisor.

Basis of Presentation

Product Revenue, Net

In March 2024, the FDA approved Rezdiffra for the treatment of noncirrhotic MASH with moderate to advanced liver fibrosis (consistent with stages F2 to F3 fibrosis). Rezdiffra is a once-daily, oral, liver-directed, THR-ß agonist designed to target key underlying causes of MASH. We began generating revenue from sales of Rezdiffra in the United States in April 2024. Revenue is recorded net of variable consideration, which includes prompt pay discounts, returns, chargebacks, rebates, and co-payment assistance.

Cost of Sales

Cost of sales includes the cost of manufacturing and distribution of inventory related to sales of Rezdiffra. We expect cost of sales to increase in the future, as manufacturing costs incurred prior to regulatory approval were expensed to research and development rather than capitalized as inventory, as approval was considered uncertain.

Research and Development Expenses

Research and development expenses primarily consist of costs associated with our research activities, including the clinical development of our product candidates. We expense our research and development expenses as incurred. We contract with clinical research organizations to manage our clinical trials under agreed upon budgets for each trial, with oversight by our clinical program managers. We account for nonrefundable advance payments for goods and services that will be used in future research and development activities as expenses when the service has been performed or when the goods have been received. Manufacturing expense includes costs associated with drug formulation development and clinical drug production. We do not track employee and facility related research and development costs by project, as we typically use our employee and infrastructure resources across multiple research and development programs. We believe that the allocation of such costs would be arbitrary and not be meaningful.

Our research and development expenses consist primarily of:

- salaries and related expense, including stock-based compensation;
- external expenses paid to clinical trial sites, contract research organizations, laboratories, database software and consultants that conduct clinical trials;
- expenses related to development and the production of non-clinical and clinical trial supplies, including fees paid to contract manufacturers;
- expenses related to compliance with drug development regulatory requirements; and

- other allocated expenses, which include direct and allocated expenses for depreciation of equipment and other supplies.

We expect to continue to incur substantial expenses related to our development activities for the foreseeable future as we conduct our clinical trial programs, manufacturing and toxicology studies. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later stage clinical trials, additional drug manufacturing requirements, and later stage toxicology studies such as carcinogenicity studies. The process of conducting clinical trials necessary to obtain regulatory approval is costly and time consuming. The probability of success for each product candidate is affected by numerous factors, including preclinical data, clinical data, competition, manufacturing capability and commercial viability.

Completion dates and costs for our clinical development programs as well as our research program can vary significantly for any future product candidate and are difficult to predict. As a result, we cannot estimate with any degree of certainty the costs we will incur in connection with the development of our product candidates at this point in time. We expect that we will make determinations as to which programs and product candidates to pursue and how much funding to direct to each program and product candidate on an ongoing basis in response to the scientific success of research, results of ongoing and future clinical trials, potential collaborative agreements with respect to programs or potential product candidates and ongoing assessments as to each product candidate's commercial potential.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of salaries, benefits and stock-based compensation expenses for employees, management costs, costs associated with commercial activities, costs associated with obtaining and maintaining our patent portfolio, commercial and marketing activities, corporate insurance, professional fees for accounting, auditing, consulting and legal services, and allocated overhead expenses.

We expect that our selling, general and administrative expenses will increase in the future as we expand our operating activities, continue commercialization efforts, including extending operations into new geographies (if approved), maintain and expand our patent portfolio and incur additional costs associated with being a public company and maintaining compliance with exchange listing and U.S. Securities and Exchange Commission ("SEC") requirements.

Interest Income

Interest income consists primarily of interest and dividend income earned on cash equivalents and marketable securities.

Interest Expense

Interest expense consists primarily of interest accrued on principal balances under our loan facility (the "Loan Facility") with Hercules Capital, Inc. ("Hercules").

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets, liabilities, revenue, and expenses and the disclosure of contingent assets and liabilities as of the date of the financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to gross to net expenses, inventory valuation, accrued research and development expenses and stock-based compensation expenses. We base our estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions. There have been no material changes in our critical accounting policies and significant judgments and estimates as compared to those disclosed in "Part II, Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the SEC on February 26, 2025. Refer to Note 2 to the unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q for details of accounting policies over revenue and inventory.

Results of Operations

Three Months Ended March 31, 2025 and 2024

The following table provides comparative unaudited results of operations for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,		Increase / (Decrease)	
	2025	2024	$	%
Product revenue, net	$ 137,250	$ —	$ 137,250	100 %
Operating expenses:				
Cost of sales	4,513	—	4,513	100 %
Research and development	44,172	71,237	(27,065)	(38)%
Selling, general and administrative	167,876	80,800	87,076	108 %
Total operating expenses	216,561	152,037	64,524	42 %
Loss from operations	(79,311)	(152,037)	72,726	(48)%
Interest income	9,370	8,334	1,036	12 %
Interest expense	(3,297)	(3,838)	541	(14)%
Net loss	$ (73,238)	$ (147,541)	$ 74,303	(50)%

Revenue

We began selling Rezdiffra in April 2024. For the three months ended March 31, 2025, we recorded $137.3 million of product revenue, net.

Cost of Sales

Cost of sales were incurred as a result of sales of Rezdiffra. For the three months ended March 31, 2025, we recorded $4.5 million of cost of sales.

Research and Development Expenses

The following table represents our research and development expenses for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,		Increase / Decrease	
	2025	2024	$	%
Personnel and Internal Expense	$ 15,023	$ 16,716	$ (1,693)	(10)%
External Expense	29,149	54,521	(25,372)	(47)%
Total	$ 44,172	$ 71,237	$ (27,065)	(38)%

Our research and development expenses were $44.2 million for the three months ended March 31, 2025, compared to $71.2 million in the corresponding period in 2024. Research and development expenses decreased by $27.1 million in the 2025 period primarily due to the change in accounting for inventory costs following FDA approval of Rezdiffra in March 2024 and a reduction in clinical trial expense.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses were $167.9 million for the three months ended March 31, 2025, compared to $80.8 million in the corresponding period in 2024. Selling, general and administrative expenses increased by $87.1 million in the 2025 period due primarily to increases for commercial launch activities for Rezdiffra, including a corresponding increase in headcount.

Interest Income

Our net interest income was $9.4 million for the three months ended March 31, 2025, compared to $8.3 million in the corresponding period in 2024. The increase in interest income was due primarily to higher principal balances.

Interest Expense

Our interest expense was $3.3 million for the three months ended March 31, 2025, compared to $3.8 million in the corresponding period in 2024. The decrease of $0.5 million was primarily the result of lower interest rates in 2025.

Macroeconomic Events

Changes in, and uncertainties related to, global trade or other economic policies, including tariffs or other restrictions imposed by the United States government or governments of other nations, may have an adverse effect on us, our partners and the pharmaceutical industry as a whole. Based on our current manufacturing locations, supply chain operations and inventory, we believe that the current tariff policies will not have a material impact on our business, results of operations or financial condition. Our commercial and clinical supply of resmetirom is currently manufactured in the United States, and Rezdiffra is currently only commercially available in the United States. In addition, we have engaged a European manufacturer to produce our commercial supply of drug product for future European commercialization. Additional changes to the policies of the United States or other nations that affect the geopolitical landscape or global trade, economy or market conditions, and other direct or indirect impacts of such policies, are uncertain and unpredictable, and could, in the future, have an adverse effect on our business, results of operations or financial condition.

Liquidity and Capital Resources

Since inception, we have incurred significant net losses and we have funded our operations primarily through proceeds from sales of our capital stock and debt financings.

As of March 31, 2025, we had cash, cash equivalents, restricted cash, and marketable securities totaling $848.1 million compared to $931.3 million as of December 31, 2024, with this decrease attributable to funding of operations.

Until we are able to generate sufficient revenue from Rezdiffra and any other future approved products, we anticipate that we will continue to incur significant losses. While our rate of cash usage will likely increase in the future, in particular to support our product development and clinical trial efforts, our commercialization efforts and geographic expansion activities and our business development goals, we believe our available cash resources are sufficient to fund our operations past one year from the issuance of the financial statements contained herein. Our future long-term liquidity requirements will be substantial and will depend on many factors, including our ability to effectively commercialize Rezdiffra, our decisions regarding future geographic expansion, the conduct of any future preclinical studies and clinical trials and our entry into any strategic transactions. To meet future long-term liquidity requirements, as well as maintain compliance with certain of our Loan Facility covenants, we may need to raise additional capital to fund our operations through equity or debt financings, collaborations, partnerships or other strategic transactions. Additional capital, if needed, may not be available on terms acceptable to us, or at all. If adequate funds are not available, or if the terms of potential funding sources are unfavorable, this could have a material adverse effect on our business, results of operations and financial condition. We have the ability to delay certain commercial activities, geographic expansion activities and certain research activities and related clinical expenses, if necessary, due to liquidity concerns until a date when those concerns are relieved.

At-the-Market Sales Agreement

In May 2024, we entered into a Sales Agreement (the "2024 Sales Agreement") with Cowen and Company, LLC, an affiliate of TD Securities (USA) LLC ("Cowen"), replacing and superseding our sales agreement from 2021. We are authorized to issue and sell up to $300.0 million of shares of our common stock under the 2024 Sales Agreement. Sales of our common stock, if any, under the 2024 Sales Agreement will be made by any method that is deemed to be an "at the market" offering as defined in Rule 415(a)(4) of the Securities Act of 1933, as amended. We have no obligation to sell any common stock and may at any time suspend offers under the 2024 Sales Agreement or terminate the 2024 Sales Agreement pursuant to its terms.

We did not make any sales under the 2024 Sales Agreement during the three months ended March 31, 2025. As of March 31, 2025, $300.0 million remained available for sale under the 2024 Sales Agreement and our related prospectus supplement.

Loan Facility

In May 2022 we entered into a $250.0 million Loan Facility with Hercules. Under the terms of the Loan Facility, the first $50.0 million tranche ("Tranche 1") was drawn at closing. On February 3, 2023, we entered into the First Amendment (the "First Amendment") to the Loan Facility (as amended, the "Amended Loan Facility"). Under the Amended Loan Facility, $65.0 million was drawn in 2023 under the second tranche ("Tranche 2"). The third tranche ("Tranche 3") of $75.0 million became available to us when we obtained FDA approval for Rezdiffra in March 2024. We did not draw on Tranche 3 prior to its expiration in June 2024. In August 2024, we entered into the Second Amendment (the "Second Amendment") to the Loan Facility (as amended by the First Amendment and the Second Amendment, the "Second Amended Loan Facility"). Under the Second Amended Loan Facility, our borrowing capacity available in the fourth tranche under the Loan Facility ("Tranche 4") is increased to include the $75.0 million available under Tranche 3 that was not utilized by us. After such increase, our current borrowing capacity is $135.0 million under Tranche 4, which is available subject to Hercules' sole discretion.

In connection with Tranche 1, in 2022 we issued Hercules warrants to purchase 14,899 shares of our common stock, which had a Black-Scholes value of $0.6 million. In connection with Tranche 2, in 2023 we issued to Hercules warrants to purchase an aggregate of 4,555 shares of common stock, which had a Black-Scholes value of $0.9 million.

The Loan Facility had a minimum interest rate of 7.45% and adjusted with changes in the prime rate. The First Amendment reduced the interest rate under the Amended Loan Facility to the greater of (i) the prime rate as reported in The Wall Street Journal plus 2.45% and (ii) 8.25%. We were originally scheduled to pay interest-only monthly payments of accrued interest under the Loan Facility through May 1, 2025, for a period of 36 months. In March 2024, the interest-only period was extended to May 1, 2026 when we achieved a milestone when Rezdiffra received FDA approval. The interest only period was further extended to May 3, 2027, upon the achievement of a revenue milestone, subject to compliance with applicable covenants, that were met as of December 31, 2024. The Loan Facility originally matured in May 2026, but the maturity date was extended to May 2027 when we achieved a milestone upon receipt of FDA approval for Rezdiffra in March 2024. The Loan Facility is secured by a security interest in substantially all of our assets, other than intellectual property. It includes an end of term charge of 5.35% of the aggregate principal amount, which is accounted for in the loan discount.

The Loan Facility includes affirmative and restrictive financial covenants which commenced on January 1, 2023, including maintenance of a minimum cash, cash equivalents and liquid funds covenant of $35.0 million, which may decrease in certain circumstances if we achieve certain clinical milestones and a revenue milestone. The Loan Facility also includes a revenue-based covenant that could apply commencing at or after the time that the financial reporting became due for the quarter ended September 30, 2024, however the covenant will be automatically waived pursuant to the terms of the Loan Facility at any time in which we maintain, as measured monthly, (i) a certain level of cash, cash equivalents and liquid funds relative to debt outstanding under the Loan Facility or (ii) a market capitalization of at least $1.2 billion. The Loan Facility contains event of default provisions for: our failure to make required payments or maintain compliance with covenants under the Loan Facility; our breach of certain representations or default under certain obligations outside the Loan Facility; insolvency, attachment or judgment events affecting us; and any circumstance which has occurred or could reasonably be expected to have a material adverse effect on us, provided that, any failure to achieve approval or certain other milestones under the Loan Facility shall not in and of itself constitute a material adverse effect. The Loan Facility also includes customary covenants associated with a secured loan facility, including covenants concerning financial reporting obligations, and certain limitations on indebtedness, liens (including a negative pledge on intellectual property and other assets), investments, distributions (including dividends), collateral, investments, distributions, transfers, mergers or acquisitions, taxes, corporate changes, and deposit accounts.

As of March 31, 2025, the outstanding principal under the Loan Facility was $115.0 million. The interest rate as of March 31, 2025 was 9.95%. As of March 31, 2025, we were in compliance with all loan covenants and provisions.

March 2024 Public Offering

In March 2024, we entered into an Underwriting Agreement with Goldman Sachs & Co. LLC, Jefferies LLC, Cowen and Company, LLC, Evercore Group L.L.C. and Piper Sandler & Co, as representatives of the several underwriters named therein (the "2024 Underwriters"), pursuant to which we sold to the 2024 Underwriters in an underwritten public offering (the "2024 Offering"): (i) 750,000 shares of common stock at a public offering price of $260.00 per share, (ii) pre-funded warrants (the "2024 Pre-Funded Warrants") to purchase 1,557,692 shares of common stock at a public offering price of $259.9999 per 2024 Pre-Funded Warrant, which represents the per share public offering price for the common stock less a $0.0001 per share exercise price for each such Pre-Funded Warrant, and (iii) a 30-day option for the 2024

Underwriters to purchase up to 346,153 additional shares of common stock at the public offering price of $260.00 per share (the "Underwriters' Option"). The 2024 Offering closed on March 21, 2024.

The net proceeds of the 2024 Offering after deducting the underwriting discount and commissions and other estimated offering expenses payable by us, were approximately $659.9 million.

We intend to use the net proceeds from the 2024 Offering for our commercial activities in connection with the commercial launch of Rezdiffra in the United States and for general corporate purposes, including, without limitation, research and development expenditures, ongoing clinical trial expenditures, manufacture and supply of drug substance and drug products, potential ex-U.S. commercialization or partnering opportunities, potential acquisitions or licensing of new technologies, capital expenditures and working capital.

The 2024 Pre-Funded Warrants are exercisable at any time after the date of issuance. A holder of 2024 Pre-Funded Warrants may not exercise the warrant if the holder, together with its affiliates, would beneficially own more than 9.99% of the number of shares of common stock outstanding immediately after giving effect to such exercise. A holder of 2024 Pre-Funded Warrants may increase or decrease this percentage, but not in excess of 19.99%, by providing at least 61 days prior notice to us.

Cash Flows

The following table provides a summary of our net cash flow activity (in thousands):

	Three Months Ended March 31,	
	2025	2024
Net cash used in operating activities	$ (88,891)	$ (149,157)
Net cash provided by investing activities	163,878	98,053
Net cash provided by financing activities	8,640	573,706
Net increase in cash, cash equivalents, and restricted cash	$ 83,627	$ 522,602

Operating Activities

Net cash used in operating activities was $88.9 million for the three months ended March 31, 2025, compared to $149.2 million for the corresponding period in 2024. The use of cash in these periods resulted primarily from our losses from operations, as adjusted for non-cash charges for stock-based compensation, and changes in our working capital accounts.

Investing Activities

Net cash provided by investing activities was $163.9 million for the three months ended March 31, 2025, compared to $98.1 million for the corresponding period in 2024. Net cash provided by investing activities for the three months ended March 31, 2025 primarily consisted of $294.7 million from sales and maturities of marketable securities, partially offset by $130.8 million of purchases of marketable securities for our investment portfolio. Net cash provided by investing activities for the corresponding period in 2024 primarily consisted of $182.6 million from sales and maturities of marketable securities, partially offset by $84.2 million of purchases of marketable securities for our investment portfolio.

Financing Activities

Net cash provided by financing activities was $8.6 million for the three months ended March 31, 2025, compared to $573.7 million for the corresponding period in 2024. Net cash provided by financing activities for the three months ended March 31, 2025 consisted of $8.6 million from exercises of stock options. Net cash provided by financing activities for the corresponding period in 2024 consisted primarily of $574.0 million of net proceeds from our 2024 Offering.

Contractual Obligations and Commitments

In 2019, we entered into an operating lease for office space in certain premises located in West Conshohocken, Pennsylvania (the "Office Lease"), which was further amended by three amendments entered into from 2019 to 2022. In May 2023, we entered into the Fourth Amendment to the Office Lease, which did not have a financial impact. In August 2023, we entered into the Fifth Amendment to the Office Lease (the "Fifth Lease Amendment"). The Fifth Lease Amendment extends the term of the Office Lease through November 2026. As a result of the Fifth Lease Amendment, an

incremental $1.6 million right-of-use asset and lease liability were recorded during the year ended December 31, 2023. In April 2024 and May 2024, we entered into the Sixth Amendment and the Seventh Amendment to the Office Lease, respectively, leasing additional office space available in the same premises under the Office Lease. The lease for such additional office space commenced in September 2024 and resulted in an incremental $1.2 million right-of-use asset and lease liability recorded. In August 2024, we entered into the Eighth Amendment (the "Eighth Lease Amendment") and in October 2024, we entered into the Ninth Amendment (the "Ninth Lease Amendment") to the Office Lease, furthering expanding the amount of office space in the same premises. The leases for the additional office space under the Eighth Lease Amendment and the Ninth Lease Amendment commenced in December 2024 and resulted in an incremental $0.2 million right-of-use asset and lease liability recorded.

In May 2022, we entered into the $250.0 million Loan Facility. As of March 31, 2025, we had drawn $115.0 million under the Loan Facility. We are scheduled to pay interest-only monthly payments of accrued interest under the Loan Facility through May 1, 2026, which was extended to May 3, 2027 upon the achievement of a revenue milestone, and subject to compliance with applicable covenants.

We have a Research, Development and Commercialization Agreement (the "Roche Agreement") with Hoffmann-La Roche ("Roche") which grants us a sole and exclusive license to develop, use, sell, offer for sale and import any Licensed Product as defined in the Roche Agreement. We received FDA approval for Rezdiffra in March 2024. A tiered single-digit royalty is payable to Roche on net sales of Rezdiffra, subject to certain reductions.

We have entered into customary contractual agreements in support of the Phase 3 clinical trials and in connection with manufacturing Rezdiffra. As of March 31, 2025, the Company had approximately $89.1 million of obligations under these agreements related to active pharmaceutical ingredient, which is expected to be paid through December 2027.

Except as noted above and the future minimum payments due on the Loan Facility with Hercules set forth in "Note 8 – Long Term Debt" to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q, no significant changes to contractual obligations and commitments occurred during the three months ended March 31, 2025, as compared to those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the SEC on February 26, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk related to our investments, our Loan Facility and our potential need to raise additional capital through future debt or equity offerings is summarized in "Part II, Item 7A—Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024. There have been no material changes to our market risks since December 31, 2024, and we do not anticipate any near-term changes in the nature of our market risk exposures or in our management's objectives and strategies with respect to managing such exposures.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision of our principal executive officer and principal financial officer, we evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective to provide such reasonable assurance described above as of March 31, 2025.

Limitations on the Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls

and procedures relative to their costs. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We are not party to any material legal proceedings.

Item 1A. Risk Factors.

There have been no material changes to the risk factors included in detail in the "Risk Factors" sections appearing in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 26, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Director and Executive Officer 10b5-1 Plans

Our policy governing transactions in our securities by our directors, officers and employees permits our directors, officers and employees to enter into trading plans complying with Rule 10b5-1 under the Exchange Act. The following table describes the written plans for the sale of our securities that were adopted by our executive officers and directors during the quarter ended March 31, 2025. Each of the plans was entered into during an open trading window and is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (each a "Trading Plan").

Name and Title	Action Taken (Date)	Scheduled Start Date of Trading Plan	Scheduled Expiration Date of Trading Plan	Maximum Number of Shares Subject to Trading Plan
Paul Friedman, M.D., *Director*	Adoption (March 14, 2025)	June 13, 2025	July 22, 2026	206,256
Rebecca Taub, M.D., *Senior Scientific and Medical Advisor and Director*	Adoption (March 14, 2025)	June 13, 2025	July 22, 2026	76,564

Item 6. Exhibits.

The exhibits filed or furnished as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index, which Exhibit Index is incorporated herein by reference.

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference	Filed Herewith
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Certifications of Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X
101.INS	Inline XBRL Instance Document.		X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
104	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set.		

** The certifications attached as Exhibit 32.1 that accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, shall not be deemed “filed” by the registrant for purposes of Section 18 of the Exchange Act and are not to be incorporated by reference into any of the registrant’s filings under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in any 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 thereunto duly authorized.

MADRIGAL PHARMACEUTICALS, INC.

Date: May 1, 2025

By: /s/ William J. Sibold

William J. Sibold
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 1, 2025

By: /s/ Mardi C. Dier

Mardi C. Dier
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William J. Sibold, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Madrigal Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ William J. Sibold

William J. Sibold
President and Chief Executive Officer
(Principal Executive Officer)
Date: May 1, 2025

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mardi C. Dier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Madrigal Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mardi C. Dier

Mardi C. Dier
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: May 1, 2025

Exhibit 32.1

**CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. Section 1350)), each of the undersigned officers of Madrigal Pharmaceuticals, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 1, 2025

/s/ William J. Sibold
William J. Sibold
President and Chief Executive Officer
(Principal Executive Officer)

Dated: May 1, 2025

/s/ Mardi C. Dier
Mardi C. Dier
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

These certifications accompany the Form 10-Q, are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.