Interview with Hyun Ho Jung, CEO, Medy-Tox

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What drove you to make the move from the academia to the business sector when you decided to establish Medy-Tox in 2000?

I founded Medy-tox in the year 2000, in the context of a very difficult economic moment for Korea which was facing strong financial restrictions on government spending imposed by the IMF. The crisis had forced Korea to find creative ways to move forward, and in particular this made the government engage in efforts to bring professors from different areas to create new and innovative companies that could take South Korea into a new sustainable economic growth cycle. So I took advantage of this unique chance and left my post as professor at the University of Sunmoon in Cheonan to become the founder of my own company, Medy-Tox. As a researcher and professor I had always been interested in the botulinum toxin, therefore it was natural for me to make this the core of Medy-Tox. However, it was also a significant and challenging step, since as a scientist and academic I had no experience in the business aspect. Being a CEO is definitely very different from being a professor. In spite of this, the strong government support for innovative biotech companies and the growing international demand of Botox-like products made it a unique opportunity which I decided to seize. One of the biggest challenges for any biotech start-up is actually taking ideas from the lab to the marketplace in order to become a sustainable business.

How did Medy-Tox manage to achieve this in a relatively short time? Which are your main current and prospective markets?

We had actually expected to launch our main product, a botulinum related toxin, in the year 2004 but managed to do so only in 2006. There were many trials and errors along the way leading Medy-Tox to where it is today, but thankfully now that our product has been on the market several years we are having a great deal of success. Based on Medytox's main botulinum-based product – known as MEDYTOXIN in Korea and NEURONOX internationally – and on our constant R&D efforts in related areas, we plan to expand and penetrate overseas markets. So far the company has already reached the main markets of South East Asia and Japan. It also registered recently in Colombia and is in process of doing the same in Brazil. In total, we have already penetrated more then 35 markets and our main goal is to ultimately enter Europe and North America.

In your view, what are the main challenges that Medy-Tox is going to face as you strive to enter highly advanced and competitive markets like Europe and the United States?

It is well known that Allergan dominates the global market with BOTOX. The key mission for Medy-Tox is to make people around the world understand that our botulinum-based product is of the highest quality and very competitive. But this is a long process which takes a lot of time and effort, since our main competitor has been in the market for over 20 years and doctors tend to be conservative when it comes to shifting to new products. So we are working to build this trust gradually and looking forward to developing products that could not only equal BOTOX but actually also improve in certain of its weak points. I am confident that by 2014 Medy-Tox will have made much progress in this regard and that we will have successfully penetrated the European and US markets.

To what extent are you looking to establish partnerships with European and American companies as a means of penetrating those markets?

Medy-tox sees prospective partnerships with international counterparts as an important way of increasing our market share and gaining access to new markets. We are looking forward to establishing such partnerships with companies in other countries that are complementary to us in terms of R&D, especially in the most advanced markets like Europe and the United States.

Do you see the biggest potential for botulinum-related toxins in the cosmetic or therapeutic field in the coming years? In which of these areas is Medy-Tox concentrating its R&D efforts?

Indeed, besides its cosmetic use botulinum toxin also has different therapeutic applications, such as for the treatment of facial paralysis. Moreover, doctors have high expectations for other special applications of the product, particularly in the neurological field which has great potential. Although the big trend is currently focusing on botulinum's cosmetic use, in the long run I believe its

importance for treating neurological disorders will grow and be more consistent. This is why Medy-Tox is actively researching to find these new therapeutic applications and establishing partnerships with experts in this field. Medy-Tox took a bold step in early 2009, when it decided to launch the year's first IPO on the KOSDAQ in the middle of a turbulent moment for the entire economy.

How would you rate the investors' response to Medy-Tox in these early days on the stock market?

Many biotech companies in Korea have disappointed investors, but this has fortunately not been the case with Medy-Tox. This is thanks to the fact that we have experienced considerable growth, reaching over 10 billion won in sales and nearly 5 billion in profits in 2008. For 2009 we expect sales to jump to 18 billion won, with around 8 billion in profits, and in the following years the positive growth trend should continue. So as they see our results and confidence in the future, investors have understood the value of our company and the stock has performed well. After only a decade since founding Medy-Tox you have already succeeded in launching your products on the Korean and global markets, experiencing rapid growth.

What are your ambitions for Medy-Tox's next decade?

Based on MEDITOXIN/NEURONOX as our flagship product, Medy-Tox aspires to grow into the largest biotech company in Korea and an international player that can compete with Allergan on the global market. In addition, Medy-Tox will continue to develop new protein related products and new antibiotic drugs. I believe that this combination of sales and R&D will allow us to establish a truly global presence and conquer the world's main markets in the next five to ten years.

What is your final message to the readers of Pharmaceutical Executive about Medy-Tox?

Korean biotech companies are still mostly small and underdeveloped compared to the leading players in the field from Europe and the United States. However, Medy-Tox is a prime example of how a local start-up in Korea can be successful with specialized niche products. Nowadays, we are already a turning into a global and competitive company, so keep an eye on us.

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