Interview: Jung Hyun Ho – Founder & CEO, Medytox – Korea



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Medytox is the most valuable pharmaceutical business in Korea, with a highly successful botulinum toxin product on the market, and can only grow further when they finish development of their second generation botulinum toxin product that will be commercialized globally (outside of Japan and Korea) by Botox manufacturer Allergan

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What are some of the biggest accomplishment and changes Medytox has undergone since 2009?

Medytox was listed on KOSDAQ on Jan of 2009, and after the IPO our market capitalization was approximately 200 billion won, but now it has grown 10 times to 2 trillion won, roughly USD 2 billion. This has been a major accomplishment for us, as it makes us the most valuable pharmaceutical business in Korea.

In 2009, your biggest competitor was botox manufacturer Allergan; today the situation is very different. Why have you decided to participate in this partnership?

It is true that we have given Allergan exclusive commercialization rights for our new products in all countries excluding Korea and Japan. We are collaborating with Allergan on new products, but it is important to note that Medytox is only company in the world that has three different types of botulinum toxin products. The first product is our existing botulinum product, while the second is

the improved formulation that we have licensed-out to Allergan. The third product is nearly finished clinical trials and will be introduced in Korea in the third quarter of this year.

We have three types, and all of them will soon be on the market. So, while we will work together with Allergan on the new-formulation botulinum toxin product, we will also compete against them with two other products, so I would call our relationship Partner and Competitor. That said, Allergan has approximately 80 percent of the global botulinum market at the moment, which is why we decided to collaborate with them to get our new-formulation botulinum toxin product on the market globally as soon as possible.

Despite this interesting marketing strategy, were you not tempted to develop your own brand?

When I started Medytox, I did not start the business to pursue only botulinum toxin products. I knew it would be a good source of cash flow, and it has turned out to exceed expectations in this regard, but the plan was always to use the cash to fund biotech R&D eventually.

We are continuously increasing our R&D capability for the development of new biopharmaceutical products not only for medical aesthetics but also various bio-medicines to enhance the quality of people’s life.

Could you tell us how your new formulation is innovative, and what Allergan finds attractive about the product?

The new formulation botulinum product has competitive advantages. The most important fact is that the product is liquid formulation, whereas all of the existing products are lyophilized or vacuum-dried powder. Doctors have to reconstitute these freeze or vacuum-dried products with saline solution, and then draw and inject it with a syringe. The liquid formulation product does not require this process which mean very convenient, and it minimizes a potential contamination can occur during reconstitution process. There could be some inaccuracy in the concentration of the reconstituted solution for these freeze-dried products, as measurement errors can occur at reconstitution stage. With a liquid formulation, the solution will always be the same concentration, exactly as it leaves our manufacturing facility, allowing doctors to treat patients with more precision and safety, while being more convenient for them as well.

Second big advantage is that is produced without any animal sourced products. As you know, we culture the Hall strain of *Clostridium botulinum* that produces botulinum toxin, and this *C. botulinum* needs a culture medium to grow in. Usually this medium is made from some sort of

animal product, and in the botulinum toxin market, Medytox is the first to use an animal-free culture medium. We believe that this is very important in terms of safety, as there is always potential for contamination or exposure to contagious diseases when you use animal products, and being animal-product free is also a positive in terms of environmental and ethical responsibility, which means marketability. But this is yet theoretical advantages yet since we have no data proving safety issue due to using animal source.

Lastly, this product is human serum albumin free. All of the existing products use human serum albumin or something similar as a stabilizing compound, but we have succeeded in stabilizing the product without human albumin. This will be another big advantage for long-term safety of our product, because it can remove the all of possible risks of transmissible disease from plasma-derived albumin.

As one of the most successful Korean biotech companies, your story gets a lot of attention. You are active internationally with product registered in 27 different countries. What is Medytox's role in building the reputation and prestige of the Korean biotech industry around the world?

Recently, we established our first overseas subsidiary, 'Medytox Taiwan', and with it as a stepping stone, we plan to expand our global market share increasingly by establishing subsidiary companies in major Asian countries including China and Japan.

In addition, in preparation for the entry into advanced markets such as U.S. and Europe, the validation of our second plant, a cGMP/EUGMP compliant plant located in Osong City, Korea will be completed within this year.

Continuing its robust growth, Medytox will prepare the foundation to become a true global biopharmaceutical company. Also, I hope our example will help promote self-confidence in other companies so that they believe they can also succeed in foreign markets.

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