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Pozen making $146M acquisition and will move to Ireland

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Pozen, a U.S. specialty drugmaker that has struggled to get its cardiovascular drug approved, will buy a Canadian company and move its headquarters to Ireland.

Shares jumped 26 percent Monday.

Pozen, which is now based in Chapel Hill, North Carolina, said it plans to pursue other acquisitions. It also said that it has received $350 million in financing from a group of investors, including up to $200 million in funding for future deals.

The investment group includes Deerfield Management and QLT Inc., Pozen said. The group is also buying $75 million in stock and $75 million in senior notes due in six years.

Pozen will pay $146 million for Tribute Pharmaceuticals Canada. The companies had about $50 million in combined revenue in 2014 from products including the pain drugs Vimovo and Treximet, cardiovascular drug Fibricor, and migraine and tension headache treatment Cambia.

The company plans to change its name to Aralez Pharmaceuticals PLC and will move to Ireland to benefit from lower corporate tax rates in that country. The tactic, referred to as a corporate inversion, has been used by a number of large companies in recent years to lower tax rates and has come under heavy criticism by the Obama administration, Congress and other groups.

The Treasury Department recently created new rules to limit the benefits of a corporate inversion.

Pozen doesn't sell any products on its own, getting all of its revenue from product royalties and license payments. The company is seeking approval for a drug called Yosprala, a combination of aspirin with omeprazole, the active ingredient in heartburn drugs like Prilosec. It's intended as an alternative to aspirin as a preventative heart disease treatment. While many people take aspirin to prevent heart problems, long-term use of the drug can cause ulcers. Pozen said Yosprala will have fewer gastrointestinal side effects.

The Food and Drug Administration twice refused to approve Yosprala last year because of problems at a facility where the active ingredient in the drug was made. Shortly before the FDA's second refusal in December, Pozen and French drugmaker Sanofi ended a partnership on the drug.

In May, Pozen said it was looking for a new supplier with hopes that the drug will be on the market next year.

Shares of Pozen, which were down 16 percent since the FDA's decision in December, jumped to a 52-week high of $9.72 in midday trading.