

Debtor Name LTL Management LLC

United States Bankruptcy Court for the District of New Jersey
(State)

Case number: 21-30589 (MBK)

Official Form 426

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

12/17

This is the *Periodic Report* as of October 31, 2021 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

LTL Management LLC holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
Royalty A&M LLC ("Royalty A&M")	100%	

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

x /s/ Richard Dickinson

Signature of Authorized Individual

Richard Dickinson

Printed name of Authorized Individual

Date 12 / 08 / 2021
MM / DD / YYYY

For individual Debtors:

x

Signature of Debtor 1

Printed name of Debtor 1

Date _____
MM / DD / YYYY

x

Signature of Debtor 2

Printed name of Debtor 2

Date _____
MM / DD / YYYY

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

Exhibit A: Financial Statements for Royalty A&M

The financial statements for Royalty A&M in this Exhibit A are unaudited. The financial statements do not conform to the requirements for the presentation of financial statements of the United States' generally accepted accounting principles ("GAAP") and do not include all of the information and disclosures required by GAAP.

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

Exhibit A-1: Balance Sheet for Royalty A&M as of October 31, 2021

Balance Sheet for Royalty A&M as of October 31, 2021

Royalty A&M LLC	
Balance Sheet As Of October 31, 2021	
(Dollars in Millions)	
Assets	October 31, 2021
Current Assets	
Due From Affiliate ¹	\$ 2.53
Total Current Assets	2.53
Intangible Assets, Net of Amortization	365.57
Total Assets	\$ 368.11
Liabilities & Shareholders Equity	
Due to LTL Mgmt. ²	0.03
Due to Affiliate ³	0.01
Accrued Taxes ⁴	0.56
Total Liabilities	\$ 0.60
Shareholders Equity	
Paid in Capital	367.13
Retained Earnings	0.38
Total Shareholders Equity	\$ 367.51
Total Liabilities & Shareholders Equity	\$ 368.11

¹ Amounts due from New JJCI for October royalty revenue streams

² Amounts due to Debtor LTL Management LLC with respect to seconded employees

³ Amounts due to J&J Services for services performed pursuant to a services agreement

⁴ Income taxes payable based on October royalty income

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

Exhibit A-2: Statement of Income (Loss) for Royalty A&M for period ending October 31, 2021

Statement of Income (Loss) for Royalty A&M
October 14 - October 31, 2021

Royalty A&M LLC	
Statement of Earnings	
<i>(Dollars in Millions)</i>	
	October 14 - 31, 2021
Royalty Income	\$ 2.53
Financial Services	0.01
General & Administrative	0.03
Intangibles Amortization	1.56
Income Before Provision for Taxes	0.94
Provision for Taxes on Income	0.56
Net Income	\$ 0.38

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

Exhibit A-3: Statement of Cash Flows for Royalty A&M for period ending October 31, 2021

Statement of Cash Flows for Royalty A&M
October 14 - October 31, 2021

Royalty A&M LLC	
Statement of Cash Flow	
<i>(Dollars in Millions)</i>	
	October 14 - 31, 2021
Cash Flow From Operating Activity	
Net Income	\$ 0.38
Changes in Assets & Liabilities	
Increase in Due From Affiliate	(2.53)
Increase in Payable to LTL Mgmt.	0.03
Increase in Payable to Affiliate	0.01
Decrease in Intangible Assets	1.56
Increase in Accrued Liabilities	0.56
Net Cash Flows From Operating Activities	0.00
Cash at October 14, 2021	-
Cash at October 31, 2021	\$ 0.00

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (*Deficit*) for Royalty A&M for period ending October 31, 2021

Statement of Changes in Shareholders'/Partners' Equity (Deficit) for Royalty A&M
October 14 - October 31, 2021

Royalty A&M LLC			
Statement of Equity (Dollars in Millions)			
	Total	Retained Earnings	Paid in Capital
Balance October 14, 2021	367.13	-	367.13
Net Income	0.38	0.38	-
Balance October 31, 2021	367.51	0.38	367.13

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

Exhibit B: Description of Operations for Royalty A&M

Royalty A&M is a wholly owned subsidiary of the Debtor. As further described in the *Declaration of John K. Kim in Support of First Day Pleadings* (Dkt. 5), Royalty A&M owns a portfolio of royalty revenue streams, including royalty revenue streams based on third-party sales of LACTAID®, MYLANTA® / MYLICON® and ROGAIN® products. Royalty A&M plans to review royalty monetization opportunities in the Healthcare industry and grow its business by financing and/or reinvesting the income from the existing royalty revenue streams into both the acquisition of additional external royalty revenue streams as well as financings to third parties secured by similar royalty streams.

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

Exhibit C: Description of Intercompany Claims

As described above, Royalty A&M is the only non-debtor entity owned or controlled by the Debtor. As such, there are no claims between Royalty A&M and any other controlled non-debtor entity.

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

Exhibit D: Allocation of Tax Liabilities and Assets

Royalty A&M and the Debtor are treated as divisions of Johnson and Johnson Consumer Inc. ("New JJCI") for federal and state tax purposes. As a result, all tax items of Royalty A&M and the Debtor are included in calculating the separate return liability of New JJCI. Royalty A&M and the Debtor will not calculate separate return liability or be allocated any tax items.

Royalty A&M and the Debtor are not parties to any written tax sharing or tax allocation agreement with New JJCI nor any other Johnson and Johnson affiliate.

Debtor Name LTL Management LLC

Case number 21-30589 (MBK)

Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

No payments otherwise payable by the Debtor have been paid by Royalty A&M.