

**Alternative Reporting Standard:
Disclosure Guidelines for the OTCID Basic Market**

Federal and state securities laws require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these OTCID Disclosure Guidelines (“Guidelines”)¹ that set forth the disclosure obligations that make up the “Alternative Reporting Standard” for companies on the OTCID™ Basic Market and Pink Limited Market. Companies that do not make disclosure directly to the SEC (via EDGAR), a banking regulator, or a non-U.S. regulatory authority may provide disclosure under our “Alternative Reporting Standard.” We use information provided by companies under these Guidelines and in accordance with the OTCID Rules to determine eligibility for the OTCID Market or Pink Limited Market as applicable.²

Current Information

To be eligible for the OTCID Market, Alternative Reporting companies make the information listed below publicly available through OTCIQ.com:

1. Initial Disclosure Obligations

Companies must upload the following documents through OTCIQ.com:

- Annual Report for the most recently completed fiscal year.
- All Quarterly Reports for the current fiscal year.

Annual or Quarterly Reports are composed of:

- **Disclosure Statements:** Disclosure information pursuant to these Guidelines for the applicable period. Available as a fillable form beginning on page 4 of these Guidelines.
- **Financial Statements:** Qualifying Financial Statements in accordance with the Financial Statement Requirements specified in Item 9 of these Guidelines.

Qualifying Financial Statements include:

- Audit Letter, if audited
- Balance Sheet
- Statement of Income
- Statement of Cash Flows
- Statement of Retained Earnings (Statement of Changes in Stockholders’ Equity)
- Notes to Financial Statements

2. Ongoing Requirements

On an ongoing basis, companies must publish reports through OTCIQ.com on the following schedule:

- Quarterly Reports are due within **45 days** of the quarter end
- Annual Reports are due within **90 days** of the fiscal year end
- Management Certifications are due within **45 days** of the Annual Report due date

¹ These Guidelines have been designed to encompass the “current information” requirements under state and federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 (“Exchange Act”) as well as Rule 144 of the Securities Act of 1933 (“Securities Act”), and state Blue Sky laws. However, these Guidelines have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. These Guidelines do not constitute legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements. These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice.

² OTC Markets Group may require companies with securities designated as “Caveat Emptor” or other compliance flags to make additional disclosures to qualify for the OTCID Basic Market.

Other OTCID Eligibility Requirements:

To remain on the OTCID Market, companies must continue to meet all other eligibility requirements of the [OTCID Rules](#) in addition to the disclosure requirements listed above.

Pink Limited Market

Companies that do not meet the requirements of the OTCID Market set forth above may still qualify for the Pink Limited Market by meeting the following minimum disclosure requirements.

1. Initial Requirements:

- **Annual Financial Statements:** Publish a report that includes Qualifying Annual Financial Statements, as outlined in Item 9, which cover the past 2 completed fiscal years, provided the most recently completed fiscal year is within the past 16 months.
- **Company Verified Profile:** The Company must verify the Company Profile through OTCIQ.com, including, but not limited to, a complete list of officers, directors, and service providers; outstanding shares; a business description; contact information; and the name of all company insiders. "Company Insiders" shall include the beneficial owner of 10% or more of the outstanding units or shares of any class of any equity security of the issuer.

2. Ongoing Requirements: To remain qualified for the Pink Limited Market, companies must:

- Publish Qualifying Annual Financial Statements, as outlined in Item 9, within 120 days of the fiscal year end. Should a change in fiscal year end occur, no more than 16 months may elapse from the fiscal year end of the prior Annual Financial Statement.
- Review and verify the information on the Company Profile through OTCIQ.com at least once every 12 months.

Current Reporting of Material Corporate Events

In addition to the disclosure requirements above, all companies on the OTCID or Pink Limited market are expected to promptly release to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events are considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents, or if the material events occurs after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release **within four (4) business days** following their occurrence and posting such news release through an Integrated Newswire or the OTC Disclosure & News Service via OTCIQ.com.⁴

Material corporate events may include:

- Changes to the company's shell status. Please refer to our [FAQ on Shell Companies](#)
- Changes in control of issuer
- Departure of directors or principal officers; election of directors; appointment of principal officers
- Entry into or termination of a material definitive agreement or material agreement not made in the ordinary course of business
- Completion of an acquisition or disposition of assets, including but not limited to merger transactions
- Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
- Triggering events that accelerate or increase a direct or contingent financial obligation including any default or acceleration of an obligation or an obligation under an off-balance sheet arrangement
- Costs associated with exit or disposal activities including material write-offs and restructuring; Material impairments
- Unregistered sales of equity securities
- Material modification to rights of security holders
- Changes in issuer's certifying accountant
- Non-reliance on previously issued financial statements or a related audit report or completed interim review
- Change in a company's fiscal year; Amendments to articles of incorporation or bylaws that were not previously disclosed in a proxy statement or other such disclosure statement.
- Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
- Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
- Officer, director, or insider transactions in the issuer's securities
- Disclosure of investor relations, marketing, brand awareness, and stock promotion activities which might reasonably be expected to materially affect the market for its securities or otherwise deemed material by the issuer
- A company's bankruptcy or receivership
- Termination or reduction of a business relationship with a customer that constitutes a specified amount of the company's revenues
- Any material limitation, restriction, or prohibition, including the beginning and end of lock-out periods, regarding the company's employee benefits, retirement and stock ownership plan
- Earnings releases
- Other materially different information regarding key financial or operation trends from that set forth in periodic reports
- Other events the issuer determines to be material

⁴ "Integrated Newswire" shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group's list of Integrated Newswires, as published on <https://www.otcmartets.com/corporate-services/ir-tools-services>

American Films, Inc.

7901 4th St. N.
Ste 13245
St. Petersburg, FL 33702

www.americanfilms.us

info@americanfilms.us

Quarterly Report

For the period ending December 31, 2025 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

63,637,615 as of December 31, 2025 (Current Reporting Period Date or More Recent Date)

63,637,615 as of September 30, 2025 (Most Recent Completed Fiscal Year End)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁵ of the company has occurred during this reporting period:

Yes: No:

⁵ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

American Films, Inc.: from January 4, 2012 to present

Nanoscience Technologies, Inc.: from May 17, 2002 to January 4, 2012

Eagles Nest Mining Company: from September 14, 1987 to May 17, 2002

Current State and Date of Incorporation or Registration: Nevada

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

N/A

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any company name change, stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

7901 4th St. N., Ste 13245, St. Petersburg, FL 33702

Address of the issuer's principal place of business:

X Check if principal executive office and principal place of business are the same address:

X

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

N/A

2) Security Information

Transfer Agent

Name: ClearTrust, LLC

Phone: 813-235-4490

Email: inbox@cleartrusttransfer.com
Address: 16540 Pointe Village Dr, Suite 210, Lutz, FL 33558

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	AMFL
Exact title and class of securities outstanding:	Common Stock
CUSIP:	<u>026040105</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>100,000,000</u> as of date: <u>December 31, 2025</u>
Total shares outstanding:	<u>63,637,615</u> as of date: <u>December 31, 2025</u>
Total number of shareholders of record:	<u>253</u> as of date: <u>December 31, 2025</u>

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

N/A

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	_____
Par or stated value:	_____
Total shares authorized:	_____ as of date: _____
Total shares outstanding:	_____ as of date: _____
Total number of shareholders of record:	_____ as of date: _____

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

N/A

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

As of December 31, 2025, American Films, Inc. (the "Company") is authorized to issue 100,000,000 shares of Common Stock, \$0.001 par value. All shares of Common Stock have equal rights and privileges with respect to voting, liquidation, and dividend rights. Each share of Common Stock entitles the holder thereof to (i) one non-cumulative vote for each share held of record on all matters submitted to a vote of the stockholders; (ii) to participate equally and to receive any and all such dividends as may be declared by the Board of Directors out of funds legally available therefore; and (iii) to participate pro rata in any distribution of assets available for distribution upon liquidation of the Company. Stockholders of the Company have no preemptive rights to acquire additional shares of Common Stock or any other securities. The Common Stock is not subject to redemption and carries no subscription or conversion rights. All outstanding shares of Common Stock are fully paid and non-

assessable. Each stockholder is entitled to vote in accordance with the terms and provisions of the certificate of incorporation and shall be entitled to one vote, in person or by proxy, for each share of stock entitled to vote held by such stockholders. The Board of Directors may from time to time declare, and the Company may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law. The Company has not declared or paid cash dividends or made distributions in the past, and the Company does not anticipate that it will pay cash dividends or make distributions in the foreseeable future. The Company currently intends to retain and invest future earnings to finance its operations.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

N/A

3. Describe any other material rights of common or preferred stockholders.

N/A

4. Describe any material modifications to rights of holders of the company’s securities that have occurred over the reporting period covered by this report.

N/A

3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer’s securities **in the past two completed fiscal years and any subsequent interim period.***

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance</u> : Date <u>09/30/2024</u> Common: <u>63,637,615</u> Preferred: <u>n/a</u>			*Right-click the rows below and select “Insert” to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time	Individual/ Entity Shares were issued to. ***You must disclose the control person(s)	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

					of issuance? (Yes/No)	for any entities listed.	Services Provided		
09/30/2023 thru 09/30/2025	Cancellation	(648,420)	Common Stock	N/A	N/A	Various	Various Settlement Agreement	Restricted and Unrestricted	N?A
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>12/31/2025</u>	Common: <u>63,637,615</u> Preferred: <u>N/A</u>								

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

The company is continuing to process cancellation of additional shares when the opportunity presents itself.

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁶	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
12/10/2017	\$94,000	\$269,403	Demand	Optional conversion to common stock at a rate of \$0.10 per share	0	2,628,330	Paloozo holders	Loan
9/8/2021	\$75,000	\$75,000	9/8/2026	Warrant for 500,000 shares of common stock at strike price of \$1.50 per share	0	50,000	Max Cohodes	Loan

⁶ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

1/1/2022	\$400,000	\$452,574	12/31/2025	Optional conversion to common stock at a rate of \$2.14 per share	0	207,336	Derrick Spatorico	MDS Purchase and Sale Agreement
6/30/2022	\$425,000	\$525,000	Based upon cumulative revenue milestones	Within 45 days of the following events, AMFL share pay to Lender: \$125,000 upon the company achieving cumulative gross revenue of \$2,500,000; an additional \$125,000 upon the company achieving cumulative gross revenue of \$5,000,000; and an additional \$175,000 upon the company achieving cumulative gross revenue of \$7,500,000	0	0	NYU (Robert Fechter)	Refinance of loan with original issue date 12/16/2011
12/5/2022	\$25,000	\$27,082	Demand	Optional conversion to common stock at a rate of \$0.12 per share	0	221,258	Peggy Kingston	Short-term loan
12/15/2022	\$2,200	\$2,497	Demand	Interest shall accrue at a rate of 5% per annum on the principal loan balance	0	0	American Films LLC (Lynne Murphy)	Short-term loan
12/31/2022	\$25,000	\$29,552	Demand	Interest shall accrue at a rate of 5%. Conversion to common stock at a rate of \$0.12 per share.	0	243,225	Ronda Matson	Short-term loan
5/1/2023	\$78,750	\$91,905	Demand	Interest shall accrue at a rate of 12% per annum on the principal loan balance	0	0	Nat Gabriele	Short-term loan
4/30/2023	\$76,000	\$84,866	4/30/2026	Optional conversion to common stock at a rate of \$0.85 per share	0	98,610	Bradley Safalow	Loan
6/30/2023	\$25,000	\$26,875	Earlier of 6/30/2026 or aggregate cash milestones	Optional conversion to common stock at a rate of \$0.45 per share AMFL share pay to Lender 25% of the principal and accrued interest when aggregate cash proceeds exceed \$50,000; 50% of the principal and accrued interest when cash proceeds to the Corporation exceed \$100,000; and 100% of the outstanding principal and accrued interest when cash proceeds to the	0	59,722	Bradley Safalow	Loan

				Corporation exceed \$150,000				
7/31/2023	\$25,000	\$27,210	Demand	Optional conversion to common stock at a rate of \$0.45 per share	0	59,722	Geoff Lee	Short-term loan
7/2/2024	\$15,000	\$15,598	7/2/2025	Optional conversion to common stock at a rate of \$0.05 per share. Interest shall accrue at a rate of 8% per annum on the principal loan balance.	0	305,860	N. Lewis Lesser	Short term loan
7/3/2024	\$5,000	\$5,199	7/3/2025	Optional conversion to common stock at a rate of \$0.05 per share. Interest shall accrue at a rate of 8% per annum on the principal loan balance.	0	101,960	Richard Gostanian	Short term loan
7/3/2024	\$4,000	\$4,159	7/3/2025	Optional conversion to common stock at a rate of \$0.05 per share. Interest shall accrue at a rate of 8% per annum on the principal loan balance.	0	81,560	Thomas Hein	Short term loan
01/06/2025	\$5,000	\$5,183	01/06/2026	Optional conversion to common stock at a rate of \$0.05 per share. Interest shall accrue at a rate of 8% per annum on the principal loan balance.	0	101,640	N. Lewis Lesser	Loan
03/11/2025	\$6,000	\$6,141	03/11/2026	Optional conversion to common stock at a rate of \$0.05 per share. Interest shall accrue at a rate of 8% per annum on the principal loan balance.	0	120,420	Samuel T Murphy	Loan
03/15/2025	\$5,000	\$5,101	03/15/2026	Optional conversion to common stock at a rate of \$0.03 per share. Interest shall accrue at a rate of 7% per annum on the principal loan balance.	0	167,133	Richard Gostanian	Loan
06/20/2025	\$4,000	\$4,078	06/20/2026	Optional conversion to common stock at a rate of \$0.03 per share. Interest shall accrue at a rate of 7% per annum on the principal loan balance.	0	133,600	Richard Gostanian	Loan

Total Outstanding Balance: \$1,657,423

Total Shares: 0 4,640,075

Any additional material details, including footnotes to the table are below:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

American Films, Inc. (the "Company") is an emerging technology company serving as an advocate for copyright holders across the globe. The Company's unique proprietary processes and technology are held at its wholly owned subsidiary, FACTERRA, which includes a web-based evidence gathering program that identifies instances of copyright infringement and allows the Company and others to enforce intellectual property rights. American Films, Inc. supports the creative process and protects intellectual property in the film and music industries.

B. List any subsidiaries, parent company, or affiliated companies.

*Facterra LLC (wholly owned subsidiary of American Films, Inc.)
Facterra LTDA (wholly owned subsidiary of Facterra LLC)*

C. Describe the issuers' principal products or services.

Every year, there are billions of online piracy events worldwide. Federal governments across the globe have created a regulatory framework that is supposed to deter the illegal downloading or streaming of copyrighted media, but every year the online piracy problem grows in scope. Despite pervasive online piracy activity, copyright holders and intellectual property owners have few tools to pursue recourse or remuneration. American Films, Inc. and its partners have developed a suite of tools that help intellectual property owners identify instances of copyright infringement and piracy using BitTorrent technology and other platforms. The Company seeks to develop a suite of subscription products that will enable copyright holder and intellectual property owners to identify instances of online piracy on a real time basis in the United States and across the globe. In addition, the Company will partner with all stakeholders including copyright holders, government agencies, and internet service providers to pursue programs that address historical copyright infringement and online piracy activity.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The company utilizes AWS Cloud based technology to manage and house their digital assets. When appropriate it incorporates artificial intelligence to generate court ready online copyright infringement evidence via the same Cloud based technology platform. No physical offices are maintained at this time.

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, ≥ 5% beneficial owner)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
Craig Campbell	CTO, and Chairman of the Board	New Boston, NH	2,015,383	Common Stock	3.1%
John Carty	CEO, CFO	Norwood, MA	900,000	Common Stock	1.4%
Derrick Spatorico	5% or more owner	Fairport, NY	11,303,192	Common Stock	17.6%
Richard Gostanian	5% or more owner	Salem, NH	3,249,001	Common Stock	5.1%
American Films LLC (Lynne Murphy)	5% or more owner	Tallahassee, FL	4,812,377	Common Stock	7.5%

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

American Films, Inc. is a party to a civil breach of an employee contract with the former CFO, Jamie Warren, in the US District Court Southern District of Texas Houston division The case number 4:24-cv-03983. The company has previously negotiated a settlement and hopes to make payment on the terms. The company may also consider an appeal if terms are not able to be reached. The case was filed in 2024.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Jessica Haggard of Anthony L.G., PLLC
Address 1: 1700 Palm Beach Lakes, Blvd. Suite 820
Address 2: West palm Beach, FL 33401

Phone: 561-514-0936
Email: JHaggard@anthonypllc.com

Accountant or Auditor

Name:
Firm: AEH Accounting

Address 1: 724 S. High Street, Mt.
Address 2: Orab, OH 45154
Phone: 513-341-6844
Email: info@aehaccounting.com

Investor Relations

Name: None
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): <http://twitter.com/AmericanFilmsUS>
LinkedIn <http://www.linkedin.com/company/american-films-inc/>
Facebook: <http://www.facebook.com/AmericanFilmsInc>

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Thomas Murphy
Firm: Grove Street Funding, Inc.
Nature of Services: Financial Consulting
Address 1: PO Box 10,
Address 2: Ashland, MA 01721
Email: info@grovestreetfunding.com

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Thomas Murphy
Title: Financial consultant
Relationship to Issuer: Hourly consultant

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Thomas Murphy
Title: Financial Consultant
Relationship to Issuer: Hourly Consultant

Describe the qualifications of the person or persons who prepared the financial statements:⁷

Thomas Murphy is an experienced Financial Consultant with an accounting background from both education and experience.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable." Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, John Carty certify that:

1. I have reviewed this Disclosure Statement for American Films, Inc.;

⁷ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

02/09/2026 [Date]

/s/ John Carty

[CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, John Carty certify that:

1. I have reviewed this Disclosure Statement for American Films, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

02/09/2026 [Date]

/s/ John Carty

[CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Exhibit A

Financials Statements and Notes
For the Period Ended December 31, 2025

American Films, Inc.
Consolidated Statement of Income
(Unaudited)

	Quarterly Report December 31	
	2025	2024
Revenues	-	\$ -
Expenses:		
Cost of revenues		
Payroll expense	-	750
Insurance and legal fees expense	2,500	200
Contract services	12,000	12,000
General and administrative expense	3,291	5,024
Total expenses	17,791	17,974
Income (Loss) from Continuing Operations	(17,791)	(17,974)
Other Income (Expense):		
Gain (loss) on sale of a business unit		
Interest expense	(18,477)	(16,160)
Other income (expense)	-	
Total other income (expense)	(18,477)	(16,160)
Income (Loss) from Continuing Operations before Income Taxes (Benefit)	(36,268)	(34,134)
Income Tax Expense (Benefit):		
Provision for (benefit from) income taxes	(8,534)	(8,482)
Net Income (Loss) from Continuing Operations	(27,734)	(25,652)
Net Income (Loss)	(27,734)	\$ (25,652)
Net Income (Loss) Per Share:		
Basic	(0)	\$ -
Diluted	(0)	\$ -
Weighted average common shares - basic	63,637,615	63,637,615
Weighted average common shares - diluted	63,637,615	63,813,568

The accompanying notes are an integral part of these unaudited consolidated financial statements

American Films, Inc.
Consolidated Statement of Comprehensive Income
(Unaudited)

	Three Months Ended December 31	
	2025	2024
Net Income (Loss)	\$ (27,734)	\$ (25,652)
Other comprehensive income (loss), net of tax:		
Unrealized foreign currency translation gain (loss)	-	-
Total other comprehensive income (loss), net of tax	-	-
Comprehensive Income (Loss)	\$ (27,734)	\$ (25,652)

The accompanying notes are an integral part of these unaudited consolidated financial statements

**American Films, Inc.
Consolidated Balance Sheet
(Unaudited)**

	December 31 2025	September 30, 2025
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,166	\$ 500
Marketable securities	-	-
Accounts receivable	1,554,856	1,554,856
Total current assets	1,556,022	1,555,356
Noncurrent assets:		
Deferred income taxes	2,638,922	2,638,922
Other assets	883,118	883,118
Intangible Assets - Grove Street Tokens	1,000,000	1,000,000
Total noncurrent assets	4,522,040	4,522,040
Total Assets	6,078,062	6,077,396

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued liabilities	\$ 633,962	\$ 633,962
Accrued interest	246,460	227,983
Convertible debentures - current portion	152,400	142,000
Notes payable	868,500	868,500
Total current liabilities	1,901,322	1,872,445
Noncurrent liabilities:		
Warranty liabilities		
NYU debenture, net	425,000	425,000
Other convertible debt, net	595,000	595,000
Common stock warrant	75,000	75,000
Total warranty liabilities	1,095,000	1,095,000
Total noncurrent liabilities	1,095,000	1,095,000
Total Liabilities	2,996,322	2,967,445
Commitments & Contingencies (Note 4)		
Stockholders' deficit:		

Common stock; \$0.001 par value; authorized 100,000,000 shares, 63,637,615 and 63,637,615 shares issued and outstanding respectively	63,637	63,637
Additional paid-in capital	9,630,131	9,630,131
Treasury stock (13,278,000 common shares)	(13,278)	(13,278)
Accumulated deficit	(6,598,750)	(6,570,539)
Accumulated other comprehensive income (loss)		
Total Stockholders' Equity	3,081,740	3,109,951
Total Liabilities and Stockholders' Equity	\$ 6,078,062	\$ 6,077,396

The accompanying notes are an integral part of these unaudited consolidated financial statements

American Films, Inc.
Consolidated Statement of Cash Flows
(Unaudited)

	Three Months Ended December 31	
	2025	2024
Cash flows from operating activities		
Net income (loss)	\$ (27,734)	\$ (25,652)
Adjustments to reconcile net income (loss) to net cash provided (used in) operating activities		
Loss (gain) on sale of business unit	-	-
Deferred income taxes	(8,534)	(8,482)
Stock compensation expense	-	-
Changes in operating assets and liabilities		
Other assets	-	-
Accounts payable and accrued liabilities	17,791	17,014
Accrued interest	18,477	16,160
Other liabilities	-	-
Other operating activities, net	-	-
Net cash provided by (used in) operating activities	-	(960)
Cash flows from investing activities		
Capital expenditure	-	-
Cash flows from financing activities		
Proceeds from issuance of common stock and warrants		
Proceeds from convertible notes		
Proceeds from notes payable		
Net cash provided by (used in) financing activities	666	-
Net increase (decrease) in cash and cash equivalents	666	(960)
Cash and cash equivalents beginning balance	500	1,260
Cash and cash equivalents ending balance	<u>\$ 1,166</u>	<u>\$ 300</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements

American Films, Inc.
Consolidated Statement of Changes in Stockholder' Equity
(Unaudited)

	Three Months Ended December 31			
	2025		2024	
	Shares	Amount	Shares	Amount
Common Stock, \$0.001 par value; authorized 100,000,000 shares				
Balance, beginning of period	63,637,615	\$ 63,637	63,637,615	\$ 63,637
Issuances of Common Stock	-	-	-	-
Issuances related to share-based compensation	-	-	-	-
Redemption of common shares	-	-	-	-
Balance, end of period	63,637,615	63,637	63,637,615	63,637
Treasury Stock				
Balance, beginning of period	(6,371,445)	(13,278)	(6,371,445)	(13,278)
Redemption of common shares	-	-	-	-
Balance, end of period	(6,371,445)	(13,278)	(6,371,445)	(13,278)
Additional Paid-in-Capital				
Balance, beginning of period	-	9,630,131	-	9,630,131
Issuances of Common Stock	-	-	-	-
Share-based compensation	-	-	-	-
Redemption of common shares	-	-	-	-
Balance, end of period	-	9,630,131	-	9,630,131
Retained Earnings (Accumulated Deficit)				
Balance, beginning of period	-	(6,570,539)	-	(7,516,737)
Opening balance adjustments	-	(477)	-	-
Net income (loss)	-	(27,734)	-	(25,652)
Common Stock dividends	-	-	-	-
Balance, end of period	-	(6,598,750)	-	(7,542,389)
Accumulated Other Comprehensive Income (Loss)				
Balance, beginning of period	-	-	-	-
Reclassification adjustment	-	-	-	8,482
Other comprehensive income (loss)	-	-	-	-
Balance, end of period	-	-	-	8,482

Total Shareholders' Equity	\$ <u>3,081,740</u>	\$ <u>2,146,583</u>
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The accompanying notes are an integral part of these unaudited consolidated financial statements

American Films, Inc.
Notes to Consolidated Financial Statements
(unaudited)

1. BACKGROUND AND BASIS OF PRESENTATION

Nature of operations

American Films, Inc. (the “Company”) is a Nevada C corporation established in September 1987 under the name Eagles Nest Mining Company, which later was renamed in May 2002 to Nanoscience Technologies, Inc. In January 2012, the Company changed its’ name to American Films, Inc. The Company’s offices are located at 7901 4th St. N., Ste 13245, St. Petersburg, FL 33702.

American Films Inc. is an emerging technology company serving as an advocate for copyright holders across the globe. The Company’s unique proprietary processes and technology are held at its wholly owned subsidiary, FACTERRA, which includes a web-based evidence gathering program that identifies instances of copyright infringement and allows the Company and others to enforce intellectual property rights. American Films, Inc. supports the creative process and protects intellectual property in the film and music industries.

In January 2022, the Company acquired Maker Data Services LLC (“MDS”), an established provider of identification validation, search, monitoring and valuation services. The technology assets held at MDS are anticipated to be leveraged by the Company to support its core operating strategy serving as an advocate for copyright holders across the globe. In August 2022, the Company made the decision to focus on its core operating strategy and hold for sale certain assets and liabilities associated with MDS. The Company entered into an agreement to sell MDS and closed the transaction on February 13, 2023. All MDS assets and liabilities were reflected as held for sale in the Consolidated Balance Sheet and losses from discontinued operations in the Consolidated Statement of Income.

Basis of presentation and principles of consolidation

The accompanying unaudited consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The unaudited consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions have been eliminated. All amounts are reported in U.S. dollars.

The accompanying unaudited consolidated financial statements have been prepared assuming the Company will continue as a going concern, which assumes the Company will be able to realize its assets and settle liabilities in the normal course of business.

The Company had a net loss of (\$27,734) and net cash provided by operating activities of \$0 for the three months ended December 31, 2025. Management's plans to continue as a going concern are dependent on earnings and cash flow generated from data monitoring contracts and potentially raising additional capital through debt and equity financing. Management provides no assurance on the Company's ability to obtain financing, or if available, will be on favorable terms to the Company. The Company's financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company periodically evaluates estimates used in the preparation of the financial statements for reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Foreign Currency

The reporting currency of the Company is the U.S. dollar. The functional currency of each subsidiary is the applicable local currency. Assets and liabilities are translated at the period-end exchange rate, while all other activity is translated using the average exchange rates during the reporting period. Any resulting gains or losses from translating foreign currency are included in accumulated other comprehensive income (loss). As of December 31, 2025, there were no material foreign currency translation gains or losses.

Impairment of long-lived assets

If facts and circumstances indicate that the Company's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The Company considers that no circumstances exist that would require such an evaluation.

Fair value measurement

The Company held certain marketable securitiesDece assets which are recorded at fair value in the Consolidated Balance Sheet as of the period end date. Marketable securities are classified as Level 1 investments based off unadjusted quoted prices in active markets. Any unrealized holding gains or losses are recognized in the Consolidated Statement of Other Comprehensive Income. As of December 31, 2025, the fair value of Level 1 investments was \$0.

Stock-based compensation

The Company provides stock-based incentives, including restricted and unrestricted stock awards and performance awards, to officers, employees and non-employee directors. The fair value of awards granted is based on the closing stock price of the Company's common stock on the grant date. Compensation expense is recognized on a straight-line basis over the vesting period. When an award is forfeited prior to the vesting date, the Company recognizes an adjustment to compensation expense in the period of forfeiture. As of December 31, 2025, the Company recognized approximately \$-0- in stock-based compensation expense, included in General and administrative expense on the Consolidated Statement of Income.

Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The Company's recoverability of our deferred tax assets is dependent on our ability to generate future taxable income. A valuation allowance is established to reduce deferred tax assets to the amount expected to be realized. At this time the Company does not have a valuation allowance established against its deferred tax assets, however it will continue to monitor the need for future periods.

Recent accounting pronouncements

Management believes that recently adopted and issued accounting standards that are not yet effective will not have a material impact on the Company's financial position, results of operations or cash flows upon adoption.

3. OTHER ASSETS

Other assets

	Three Months Ended December 31	
	2025	2024
	\$	\$
Notes Receivable	410,000	410,000
	\$	\$
LP Stock, Paloozooo	225,618	225,618
	\$	\$
Script portfolio, net	247,500	250,000
	\$	\$
Other assets	883,118	885,618

Script assets are the rights and ownership of over 40 scripts acquired by the Company from Media 8 Entertainment and other sources. Other assets are tied mostly to the data assets including anti-piracy data assets held by and contracted under FACTERRA LLC.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts Payable

	December 31	
	2025	2024
	\$	\$
Accounts payable	633,962	609,962
	\$	
Accrued payroll	-	
	\$	\$
Accounts payable and accrued liabilities	633,962	609,962

Accounts payable and accrued liabilities consisted of the following as of December 31, 2025 and September 30, 2025, respectively:

5. COMMITMENT & CONTINGENCIES

The Company is involved in the following on-going legal matters:

Title: American Films, Inc., et al. v. Rightscorp, Inc., et al.

Case Number: 2021-CA-000817

Court: 20th Florida Judicial Circuit Court

American Films, Inc. is a co-plaintiff in a lawsuit against Rightscorp, Inc. and its CEO and Chairman seeking more than \$15 million in damages. The lawsuit alleges that the defendants lured AFI into a transaction to acquire Rightscorp, and then the defendants used confidential information from the deal to profit at AFI's expense. AFI is represented by Joshua Alper with Shapiro, Blasi, Wasserman & Hermann, P.A. in connection with this matter.

6. Material Event

The Company announced on May 7th the recognition of 200 million Grove Street Tokens as an intangible asset on the Company's balance sheet reportable for the June 30, 2025 Quarterly Report. The Company acquired this token position in a purchase and sale agreement from the sale of Maker Data Services LLC to Grove Street Funding, Inc. in February 2023. Although the issuing entity, Grove Street Funding, Inc. has begun to offer these tokens, as of April 23, 2025, at a "pre-sale" pricing of five cents (\$0.05) per token, the Company makes no representations as to the value of these tokens. The Company recognizes the token position is subject to impairment as outlined by FASB. Based upon statements from the Issuer these tokens may only be used to transact a blockchain entry on the Ravencoin Blockchain.

The Company valued the tokens at a 90% discount to the current "pre-sale" price.

7. NET INCOME (LOSS) PER SHARE

	<u>December 31</u>	<u>September 30</u>
	<u>2025</u>	<u>2025</u>
Numerator:		
Net Income (Loss) basis and diluted	(27,734)	(119,086)
Denominator:		
Weighted average common shares outstanding - basic	63,637,615	63,637,615
Plus: incremental shares from assumed conversions:		
Share-based compensation awards	-	-
Weighted average common shares outstanding - diluted	63,637,615	63,637,615
Net Income (Loss) Per Share - Basic	(0.00)	(0.00)
Net Income (Loss) Per Share - Diluted	(0.00)	(0.00)

Basic net income (loss) per share is calculated by dividing Net income (loss) by the weighted average common shares outstanding for the period. Diluted net income (loss) per share is calculated by dividing Net income (loss) by the weighted average common shares outstanding, including potentially dilutive common shares associated with share-based compensation awards, if the impact of those shares is dilutive. The dilutive effect of share-based compensation awards is calculated using the treasury stock method. The following table reconciles the components of the Company's basic and diluted net income (loss) per share.