

Enterprise Financial Risk Management Report (H1 2026)

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Reporting Period: Jan 1, 2026 - June 30, 2026

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1. Executive Summary

Overall financial risk remains **Moderate-Low**. The primary risk exposure has shifted from **Liquidity Risk** (mitigated by strong Q1 cash flow) to **Foreign Exchange (FX) Risk** due to increased sales into non-USD pegged currencies (e.g., EGP, SAR) for the expansion into Egypt and KSA. Technology risk is managed but remains high due to our reliance on proprietary AI algorithms.

2. Key Risk Assessment Matrix

Risk Category	Description	Likelihood (L)	Impact (I)	Rating (L x I)	Mitigation Strategy (H2 Focus)
Foreign Exchange (FX) Risk	Exposure to fluctuating EGP/SAR rates impacting recognized revenue/profit margins.	Moderate (3)	High (4)	12 (High)	Implement currency hedging strategies (forward contracts) for all non-USD contracts over \$500k.
Credit Risk (A/R)	Major enterprise clients delaying or defaulting on large ARR payments.	Low (2)	High (4)	8 (Moderate)	Maintain strict credit vetting; implement credit insurance for contracts

					exceeding \$5M TCV.
Cloud Cost Volatility	Unexpected spikes in compute costs due to inefficient AI model scaling or platform usage.	Moderate (3)	Moderate (3)	9 (Moderate)	Implement FinOps governance (cost control automation) and strict usage quotas with Engineering.
Regulatory Risk	New regional data localization laws requiring unforeseen data center investments.	Low (2)	High (4)	8 (Moderate)	Proactively monitor KSA/Egypt regulations; allocate a contingency fund in the CapEx budget.

3. Financial Controls Status

- **Compliance Audit:** Q1 internal controls review showed zero material weaknesses.
- **Segregation of Duties (SoD):** The implementation of automated two-factor authentication for high-value payments has successfully separated the duties of payment initiation and final release.
- **Fraud:** No incidents of internal or external payment fraud reported in H1 2026.

4. Recommendations

1. **Treasury:** Immediately execute FX hedging for the top 5 EGP and SAR-denominated contracts.
2. **IT/Engineering:** Finalize and deploy the FinOps automation tool by the end of Q3 to reduce cost volatility risk.