

Financial Forecasting Report -

Operations CAPEX & OPEX (Q4 2025)

Department: Operations (FinOps)

Date: 2025-10-01

Goal: Forecast operational expenditures (OPEX) and capital expenditures (CAPEX) for Q4 to inform the annual budget finalization.

1. Operational Expenditure (OPEX) Forecast

OPEX includes recurring costs critical for running the business (cloud subscriptions, support contracts, rent, utilities).

Expense Category	Q3 Actual Spend (\$)	Q4 Forecast (\$)	Variance Rationale
Cloud Services (AWS/GCP)	2,000,000	2,150,000	due to new client acquisition scaling and increased AI model training load.
Managed Services & Licenses	350,000	360,000	Minor increase for new security scanning subscription.
Facility/Utilities (Dubai HQ)	120,000	120,000	Stable.
Staffing Costs (Ops Team)	400,000	400,000	Stable (no planned Q4 hires).
Travel & Training	10,000	25,000	Increase due to mandatory training for SRE team on new CI/CD platform.
Total OPEX	2,880,000	3,055,000	+6.08%

2. Capital Expenditure (CAPEX) Forecast

CAPEX includes large, one-time purchases (assets) expected to have a lifespan greater than one year.

Item	Q4 Forecast (\$)	Justification	Project Name
Server Room UPS Replacement	8,000	Replacement of aged UPS system in HQ Server Room (Mandatory).	Facility Upgrade
Riyadh Office Initial Hardware	45,000	Purchase of networking gear and 15 workstations for the new KSA office.	KSA Expansion
Development Workstations	12,000	Purchase of 4 high-spec workstations for the R&D team's AI modeling.	R&D Support
Total CAPEX	65,000		

3. Mitigation Strategy (High OPEX)

The forecasted increase in cloud spend is a risk. We must focus on the following to prevent further cost escalation:

- Action:** Expedite the purchase of \$[Amount] in Reserved Instances (RIs) in October to lock in discounted rates for predictable loads.
- Action:** Dedicate 10 hours per week of SRE time to automated resource rightsizing across non-production environments.

Conclusion: The Q4 increase in OPEX is manageable, primarily driven by core business scaling. The planned CAPEX for the KSA office is necessary for regional growth.