

# Enterprise Financial Risk Management Report (H1 2026)

Document ID: FN-RMR-2026-H1  
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.
<b>Cloud Cost Volatility</b>	Unexpected spikes in compute costs due to inefficient AI model scaling or platform usage.	Moderate (3)	Moderate (3)	<b>9 (Moderate)</b>	Implement FinOps governance (cost control automation) and strict usage quotas with Engineering.
<b>Regulatory Risk</b>	New regional data localization laws requiring unforeseen data center investments.	Low (2)	High (4)	<b>8 (Moderate)</b>	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.