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Dynamics of Value Creation in Iranian Capital Market FinTechs: A Qualitative Analysis of Factors Affecting FinTech Valuation

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Abstract

This research aims to identify and explain the factors influencing the valuation of FinTech companies in the Iranian capital market and to propose a conceptual model. Given the accelerating pace of technological change and the increasing role of human capital, focusing on the underlying value-creation factors in the intangible assets of FinTechs within the capital market appears essential. The current study was conducted based on the interpretivist paradigm and an inductive approach. In terms of objective, this research is exploratory and developmental. Based on the data collection method, this research is descriptive-interpretive, carried out through semi-structured interviews. The research population included academic experts, experienced specialists, and managers of companies operating in the FinTech field. Purposive sampling was employed, reaching theoretical saturation with 12 participants. Documentary content analysis and interview analysis were used for data analysis. Research findings, based on prior studies and expert interview results, indicated that FinTech valuation in Iran goes beyond traditional financial variables and is heavily influenced by strategic and qualitative dynamics. The six main factors affecting valuation include: organizational and managerial factors, technological characteristics, financial and economic factors, legal, institutional, and regulatory factors, investor behavior, and strategic value derived from specific Iranian conditions. These findings emphasize the importance of shifting focus from the appraisal of tangible assets to the valuation of intangible and knowledge-based assets.

Keywords: FinTech, Valuation, Iranian Capital Market.

1. Introduction

The contemporary financial ecosystem is undergoing a fundamental transformation driven by the rapid convergence of finance and digital technologies. Financial Technology (FinTech) has emerged as one of the most influential forces reshaping financial markets, institutional structures, business models, and investment dynamics worldwide (Hornuf & Hornuf, 2019; Xu et al., 2025). FinTech firms integrate advanced technologies—such as artificial intelligence, big data analytics, blockchain infrastructure, cloud computing, and platform-based architectures—into the provision of financial services, enabling more efficient, inclusive, and scalable financial intermediation (Visconti, 2020; Zhang et al., 2021). As FinTech adoption accelerates across banking, capital markets, payments, investment services, insurance, and credit systems, the valuation of these

technology-intensive enterprises has become one of the most critical and complex challenges confronting investors, venture capitalists, regulators, and corporate decision-makers (Golder et al., 2025; Miloud et al., 2012).

Unlike traditional financial institutions whose valuation is primarily anchored in tangible assets, stable cash flows, and historical performance metrics, FinTech firms are fundamentally knowledge-based organizations whose market value is driven by intangible assets, technological innovation, scalability potential, platform effects, intellectual property, regulatory positioning, and investor expectations (Festel et al., 2013; Langerveld, 2018; Visconti, 2020). This shift has challenged conventional valuation frameworks that rely heavily on discounted cash flow models, accounting ratios, and balance-sheet indicators, since such models are ill-equipped to capture the dynamic, uncertain, and innovation-centric nature of FinTech value creation (Izairi & Amornthanomchoke, 2019; Shoop & Dymov, 2018). Consequently, scholars and practitioners increasingly emphasize the necessity of hybrid valuation models that integrate financial, technological, strategic, institutional, and behavioral dimensions (Lord & Mirabile, 2017; Taghavifard et al., 2018).

Globally, FinTech investment activity has expanded at an unprecedented pace, with venture capital flows reflecting the strategic importance of this sector in modern financial systems (Golder et al., 2025). Empirical evidence demonstrates that FinTech development is strongly influenced by macroeconomic conditions, technological infrastructure, regulatory quality, and institutional stability, all of which shape investment flows and valuation dynamics (Golder et al., 2025; Hornuf & Hornuf, 2019). Simultaneously, the increasing integration of FinTech solutions into banking operations and capital market infrastructures has amplified their systemic significance and economic impact (Mohammadi et al., 2023; Xu et al., 2025).

Within this global transformation, emerging economies face unique opportunities and constraints. Iran represents a particularly complex environment for FinTech development due to its evolving regulatory frameworks, macroeconomic volatility, high inflation, technological constraints, and distinctive capital market structures (Najafi et al., 2020; Sarraf & Rahimi, 2022). Despite these challenges, Iran possesses substantial latent potential driven by a large pool of educated human capital, high rates of digital adoption, extensive banking networks, and growing entrepreneurial activity (Aziminejad et al., 2021; Tahmasebi Aghbolaghi et al., 2021). These conditions have created fertile ground for the emergence of domestic FinTech enterprises that seek to modernize financial services and enhance market efficiency (Khazaei et al., 2022; Shahhosseini et al., 2022).

However, the valuation of Iranian FinTech firms remains profoundly problematic. Traditional valuation approaches struggle to accommodate the country's inflationary pressures, regulatory uncertainty, currency volatility, market inefficiencies, and the dominant role of intangible and strategic assets in FinTech business models (Afaghi Kadijani, 2020; Taherkhani, 2018). Venture capitalists and investors operating in Iran must therefore navigate heightened uncertainty while attempting to assess the future growth potential, technological competitiveness, and regulatory sustainability of FinTech ventures (Chizsazan et al., 2015; Miloud et al., 2012).

The academic literature on startup valuation provides a substantial theoretical foundation, yet its direct application to FinTech remains limited due to the sector's distinctive characteristics. Early-stage valuation research highlights that venture capital investors place considerable emphasis on qualitative factors such as management quality, business model robustness, technological innovation, and market scalability, particularly when historical financial data are sparse or unreliable (Lord & Mirabile, 2017; Miloud et al., 2012). High-technology startup valuation studies further demonstrate that the strategic positioning of a firm, its intellectual property portfolio, and its technological differentiation are decisive determinants of investor perceptions and pricing mechanisms (Festel et al., 2013; Izairi & Amornthanomchoke, 2019).

Recent contributions have extended these insights into the FinTech domain. Visconti provides a comprehensive theoretical analysis demonstrating that FinTech valuation requires the integration of financial heuristics with technology-specific risk assessment and growth metrics (Visconti, 2020). Similarly, Langerveld proposes a hybrid valuation architecture for immature and uncertain FinTech markets that combines traditional financial models with qualitative innovation indicators and scenario-based analysis (Langerveld, 2018). Shoop further emphasizes the importance of incorporating consumer data analytics and

platform metrics when evaluating early-stage FinTech ventures (Shoop & Dymov, 2018). These approaches collectively underscore that FinTech valuation must move beyond static financial models toward dynamic, multi-dimensional frameworks.

Empirical studies in Iran reinforce these conclusions while revealing additional context-specific complexities. Taherkhani identifies major structural obstacles in FinTech valuation, including regulatory opacity, institutional fragmentation, and insufficient legal infrastructure (Taherkhani, 2018). Afaghi Kadijani further demonstrates that early-stage FinTech valuation in Iran requires alternative approaches that account for technological uncertainty, market immaturity, and institutional risk (Afaghi Kadijani, 2020). Chizari's process-based model highlights the strategic influence of banks and financial institutions as dominant buyers of FinTech technology, which profoundly shapes valuation mechanisms in the Iranian context (Chizari et al., 2022). This strategic interdependence differentiates Iranian FinTech valuation from that of other technology startups and introduces additional layers of complexity.

Beyond firm-level dynamics, the broader institutional and regulatory environment plays a pivotal role. The effectiveness of FinTech ecosystems depends on transparent regulatory regimes, institutional stability, and coordinated policy frameworks that balance innovation with financial system integrity (Aziminejad et al., 2021; Mohammadi et al., 2023). In Iran, persistent regulatory ambiguity, frequent policy changes, and fragmented governance structures increase perceived investment risk and contribute to conservative valuation behavior among investors (Najafi et al., 2020; Tahmasebi Aghbolaghi et al., 2021). At the same time, cooperation between banks and FinTech firms has emerged as a strategic imperative for financial sector modernization, further complicating valuation processes (Sarraf & Rahimi, 2022; Shahhosseini et al., 2022).

Investor behavior constitutes another crucial dimension of FinTech valuation. Behavioral finance research demonstrates that investor sentiment, expectations, risk appetite, and cognitive biases significantly influence asset pricing, particularly in high-uncertainty environments such as technology markets (Lord & Mirabile, 2017). In FinTech ecosystems, speculative dynamics, herding behavior, and optimism about disruptive innovation frequently result in overvaluation during early growth stages (Izairi & Amornthanomchoke, 2019; Miloud et al., 2012). These behavioral forces are especially pronounced in emerging markets, where market depth and institutional maturity remain limited (Chizsazan et al., 2015; Taghavifard et al., 2018).

Recent global research further highlights the macroeconomic and strategic implications of FinTech development. Xu's systematic review confirms that FinTech adoption significantly influences bank performance, competitive dynamics, and financial system stability, reinforcing the strategic importance of accurate valuation for sustainable financial development (Xu et al., 2025). Golder's global analysis of FinTech equity funding demonstrates that macroeconomic indicators, institutional quality, and technological infrastructure jointly determine investment flows and valuation outcomes (Golder et al., 2025). These findings underscore the necessity of context-sensitive valuation models that reflect the interaction between firm-level innovation and macro-institutional environments.

Despite the growing body of international and domestic scholarship, substantial gaps remain in the systematic analysis of FinTech valuation within Iran's capital market. Existing studies predominantly focus on banking interactions, technology adoption, regulatory cooperation, and strategic frameworks (Khazaei et al., 2022; Mohammadi et al., 2023; Shahhosseini et al., 2022), while comprehensive models integrating financial, technological, institutional, and behavioral dimensions of valuation remain underdeveloped. Furthermore, the majority of prior research relies on either purely financial metrics or isolated qualitative factors, failing to capture the complex, dynamic, and multi-layered nature of FinTech value creation in the Iranian context (Alibakhshi, 2023; Ghaemi & Asgari, 2024).

Recent domestic studies attempt to address this gap. Ghaemi proposes an integrated framework for marketing-based startup valuation that includes financial performance, business models, technological factors, and environmental conditions (Ghaemi & Asgari, 2024). Alibakhshi identifies key determinants of startup valuation from venture capitalists' perspectives, emphasizing managerial competence, technological differentiation, and growth potential (Alibakhshi, 2023). While these contributions offer valuable insights, they do not fully capture the unique institutional, regulatory, and macroeconomic conditions governing FinTech valuation in Iran's capital market.

Therefore, a critical need exists for a comprehensive, context-specific model that systematically identifies and explains the factors influencing FinTech valuation in Iran. Such a model must integrate economic and financial conditions, technological and innovation features, institutional and regulatory frameworks, investor behavior and perception, and the strategic value derived from Iran's specific market characteristics. Addressing this need is essential not only for improving investment decision-making but also for supporting policy formulation, regulatory design, and sustainable development of the FinTech ecosystem.

Accordingly, the aim of this study is to identify and explain the factors influencing the valuation of FinTech companies in the Iranian capital market and to develop a comprehensive conceptual model that reflects the economic, technological, institutional, behavioral, and strategic dimensions of FinTech value creation.

2. Methods and Materials

This study was conducted based on the Interpretivist paradigm with an Inductive approach. In terms of objective, the present research is an Exploratory-Developmental study aimed at identifying and explaining the factors affecting the valuation of FinTech companies in the Iranian capital market and presenting a conceptual model. Based on the data collection method, this study is Descriptive-Interpretive, which was carried out through document content analysis and semi-structured interviews.

The statistical population included academic experts (university faculty members with accounting and finance backgrounds, who are experts in the capital market and FinTech, and possess relevant books and articles), expert professionals (individuals with at least ten years of work experience in the FinTech field within the capital market, and also holding at least a relevant Ph.D. in Financial Management and Accounting), and managers of companies operating in the FinTech sector.

Purposive sampling was used for sample selection. The validity of the qualitative section was assessed and confirmed by expert reviewers based on Lincoln and Guba's proposed criteria, using the four criteria of Credibility, Transferability, Dependability, and Confirmability.

To assess the reliability of the interview coding, a Holsti coefficient of 0.713 was calculated, and Cohen's Kappa coefficient for categorization reliability was estimated at 0.647. Since both values were greater than 0.60, the qualitative analysis was considered sufficiently reliable. For data analysis, document content analysis and interview content analysis were utilized.

3. Findings and Results

In the qualitative section, 12 experts participated, including 8 university faculty members and 4 industry specialists. In terms of gender, 10 participants were male and 2 were female. Regarding age, 3 participants were under 40 years old, and 9 were over 45 years old. In terms of educational attainment, 5 individuals held a Master's degree, and 10 held a Ph.D. In terms of work experience, 4 had less than 10 years of experience, 5 had between 10 and 15 years of experience, and 3 had more than 15 years of experience.

To explain and present a model for the factors affecting the valuation of FinTech companies in the Iranian capital market, semi-structured, specialized interviews were conducted with university faculty members and capital market specialists. The interviews were analyzed using the Content Analysis method. After identifying the experts and scheduling the interviews, all conversations were recorded. The conversation files were meticulously transcribed verbatim. The transcribed text was carefully studied, and all keywords were identified. Once all concepts were articulated, redundant concepts were removed, and concepts with similar meanings were merged. Finally, concepts with similar applications were grouped together, and a superordinate name (main category) was assigned to each cluster of concepts, thus defining the main categories.

Based on the document content analysis and coding, the main factors affecting the valuation of FinTechs in previous research were categorized into five key themes:

Table 1. Components and sub-components of fintech valuation in previous research

Component	Sub-component	Key References
Financial and Economic Factors	Rate of return on capital, interest rate and inflation, cost of capital, liquidity, free cash flow (DCF), opportunity cost, market growth and profitability potential, systematic market risks, company financial structure	Damodaran (2011), Fastel et al. (2013), Misiula (2020), Tabatabaeian & Gharibi (1393), Linder (2023)

Technological Features and Innovation	Technical complexity, level of innovation, data security, proprietary technology, intellectual property and patents, team agility, scalability, technology learning and adaptation power	Nicoletti (2017), Milanesi (2013), Damodaran (2011), Hedayat et al. (2022)
Institutional, Legal, and Regulatory Factors	Central Bank and Stock Exchange laws, institutional transparency and stability, capital requirements, regulatory compliance, intensity of regulation, legal risk as a value	Ghanbari et al. (2019), Lengerold (2018), Wilson (2018), Pine (2011)
Investor Behavior and Characteristics	Preferences of venture capitalists, investment exit routes, risk tolerance, investment timing, expectations for growth and stock price, effect of emotions and speculation	Chizari (1400), Lord & Mirabil (2017), Dehghani Eshrat Abad (1397), Pine (2001)
Organizational and Managerial Factors (Internal)	Human capital, experience and academic background of managers, team quality, accountability, agility and commitment, business model and bargaining power, tradability and cooperation networks	Chitsazan & Rezvani (1394), Miloud et al. (2012), Akrofi (2016)

Studies emphasize that the valuation of FinTechs is multi-dimensional and dynamic; basic financial data alone is insufficient for analysis. The role of intangible and qualitative factors such as the team, technology, innovation, and the legal environment is far more significant than traditional metrics. Subsequently, an analysis of the findings from the semi-structured interviews with experts is presented. Examples of interview excerpts and the identified codes are provided in Table 2.

Table 2. Examples of Interview Excerpts and Identified Codes from Interviewee 1

Item	Interview Question Text	Concept	Assigned Code
Question 1	In my opinion, the most important economic factor is the growth rate of the FinTech market and the volume of micro-investments in this field. Also, inflation rate and the cost of financing the companies directly affect valuation. These factors make Discounted Cash Flow (DCF)-based methods less reliable for startups, and comparable methods with similar companies in foreign markets become more applicable. Revenues based on users and their fluctuations complicate traditional valuation methods, and growth and user adoption models must be incorporated into the cash flow.	Growth Rate	1-1-1
		Inflation Rate	1-1-2
		Cost of Financing	1-1-3
		User Volatility	1-1-4
		Limitation of DCF Method	1-1-5
		Use of Adjusted Comparable Methods	1-1-6
Question 2	The level of innovation and platform scalability greatly influence valuation, especially if it has proprietary technology and AI algorithms. The value of intangible assets is difficult to reflect in traditional methods, so there is a need for hybrid methods based on technology and user performance indicators.	Innovation	1-2-1
		Scalability	1-2-2
		Artificial Intelligence	1-2-3
		Intangible Assets	1-2-4
		Hybrid Methods	1-2-5
		Future Revenue Models	1-2-6
Question 3	The transparency and stability of the Central Bank and Stock Exchange regulations play a key role. The lack of a clear legal framework causes investors to act conservatively, increasing subjective valuation. Any change in regulations can destabilize valuation methods.	Central Bank and Stock Exchange Regulation Transparency	1-3-1
		Central Bank and Stock Exchange Regulation Stability	1-3-2
		Regulatory Changes	1-3-3
		Weakness of Legislation	1-3-4
		Short-term Valuation Method Instability	1-3-5

Question 4	Investor trust in new technologies causes FinTechs to be overvalued in the early stages. Investor behavior and expectations directly affect the choice of methods based on actual or projected data and sometimes lead to uncertainty in cash flow	Investor Trust	1-4-1
		Investor Expectations	1-4-2
		Initial Overvaluation	1-4-3
		Subjective Perception	1-4-4
		Market Sentiment	1-4-5
		Uncertainty	1-4-6
Question 5	The main challenge is assessing cybersecurity risks and user volatility. The opportunity lies in identifying superior technologies and rapid market growth. Existing methods must be reformed to account for the value of intangible assets and user growth indicators in the model.	Cybersecurity Risk	1-5-1
		Rapid Market Growth	1-5-2
		User Volatility	1-5-3
		Intrinsic Value of Intellectual Property	1-5-4

Coding was performed with the aim of operationalizing variables and identifying key concepts**.** First, the conversations of the 12 interviewees were transcribed, and then keywords were identified. In the next step, redundant concepts were removed, and synonymous concepts were merged. Finally, related codes were grouped together, and each group was assigned a main category or component (such as economic stability, market growth, innovation level, etc.), which were ultimately used as factors for FinTech valuation, resulting in 5 main categories and 24 sub-categories. Ultimately, based on the recorded codes from the semi-structured interviews with experts, 12 components were extracted. The results of merging and combining the interviews and the final extraction are presented separately in Table 3.

Table 3. Merging and Combining Interviews and Extraction of Related Codes and Categories

Valuation Factors	Extracted Codes	Extracted Categories or Components
Macro Financial and Economic Factors	2-1-1, 3-1-1, 4-1-1, 6-1-1, 7-1-1, 8-1-1, and 9-1-1	Economic Stability
		Market Growth
	1-1-1, 3-1-2, 5-1-1, 10-1-1, and 11-1-1.	Interest Rate
		Inflation Rate
		Cost of Capital
Technological and Innovation Features	2-3-1, 4-3-2, 5-3-1, 6-3-1, and 11-3-1.	Level of Innovation and Algorithmic Monopoly
		Data Security and Reliability
		Platform Scalability
		Valuation of Intangible Assets (Algorithms)
	3-3-1, and 11-3-2	Intellectual Property (IP)
Institutional, Regulatory Factors	3-4-2, 3-4-1, 3-4-2, 3-4-1, 10-4-1, and 3-4-1	Central Bank Regulation Transparency
	1-4-1, 2-4-1, 5-4-1, 6-4-1, 7-4-1, 9-4-1, and 11-4-2.	
		Stock Exchange Regulation Transparency
		Institutional Interference
	3-4-1, and 4-4-2.	Ambiguity in Central Bank Regulations
		Ambiguity in Stock Exchange Regulations
	1-3-12, 2-3-12	Sudden Changes
	1-4-11, 12-4-2	Policy Impact
Investor Perception and Behavior	5-1-1, 5-1-5, 2-1-3,	Psychological Behavior of Investors
	5-1-1, 1-1-5, 10-1-11,	Influence of Mindset
	5-1-5, 5-1-6,	Propensity for Risk
	4-3-1, 4-3-2, 4-3-3, 4-3-4,	Initial Optimism

	4-2-1, 4-4-2, 4-3-5, 4-3-6, and 4-3-10	Risk of Overvaluation
Strategic Value Derived from Iran's Specific Conditions	2-3-1, 4-3-2,	Development of Indigenous Solutions
	9-4-8	Network Effect

The proposed constructs for the valuation model of Iranian capital market FinTechs, extracted from previous studies and expert interviews, include:

- **Organizational and Managerial Factors:**

Organizational innovation, managerial experience, team quality, knowledge agility, and synergy.

- **Economic and Financial Factors:**

Inflation rate, interest rate, rate of return, cost of capital, revenue, profitability, and liquidity.

- **Legal, Institutional, and Regulatory Factors:**

Monetary policies of the Central Bank, stability of Central Bank regulations, stability of stock exchange regulations, transparency of Central Bank laws, transparency of stock exchange laws, regulatory environment, sudden regulatory changes, and the absence of a clear legal framework.

- **Technological Features:**

Data security, scalability, intellectual property, intangible assets, and proprietary algorithms.

- **Investor Behavior:**

Investors' expectations, trust, cognitive perception, policy effect, speculation, risk appetite, and market sentiment.

- **Strategic Value Arising from Iran's Specific Conditions:**

Development of indigenous solutions and network effects.

Table 4: Comparative Analysis of Previous Studies' Findings and Expert Interviews

Comparison Axis	Previous Studies' Findings (Document Analysis)	Expert Interview Findings	Comparative Analysis
Financial and Economic Factors	Emphasis on Rate of Return, Cost of Capital, Free Cash Flow, and DCF or hybrid approaches.	Inefficiency of the DCF model for nascent FinTechs; Inflation, Liquidity Volatility, and Interest Rates are key factors	Both point to DCF inefficiency in the growth phase and the importance of user metrics. Interviews highlight the indigenous aspects (inflation and micro-capital)
Technological & Innovation Features	Data Security, Scalability, Intellectual Property, and Proprietary Algorithms as value-creating indicators	Proprietary technology, AI Algorithms, and Network Effect are considered primary value drivers	Full correspondence; Experts place greater emphasis on the "need for hybrid technological models" and measuring intangible assets
Institutional, Legal & Regulatory Factors	Venture Capitalists highly value exit strategies and financial flexibility	Initial Overvaluation (Emotional Bubble) in Iran due to speculative behavior and shallow capital market depth.	Key difference: Global studies focus on rational VC behavior, while interviews emphasize emotion and liquidity risk.
Investor Behavior Venture Key difference:	Capitalists highly value exit strategies and financial flexibility.	Initial Overvaluation (Emotional Bubble) in Iran due to speculative behavior and shallow capital market depth.	Global studies focus on rational VC behavior, while interviews emphasize emotion and liquidity risk.
Organizational & Managerial Factors	Team quality, management experience, organizational innovation, and agility; cultural synergy as a value-enhancing factor.	Knowledge and agility of the management team, technological adaptation, and ethical commitment of managers.	High correspondence in emphasizing human capital; interviews also highlighted the dimension of "investor trust in the team.
Strategic Value Arising from Iran's Specific Conditions		Development of Indigenous Solutions and Network Effect.	

The proposed conceptual model illustrating the key factors influencing FinTech valuation in Iran's capital market is presented in Figure 1.

Based on the findings of previous studies and expert interviews, the conceptual framework (Figure 1) demonstrates the interactive and multi-dimensional nature of value creation in Iranian FinTechs, integrating financial, technological, institutional, behavioral, and strategic factors.

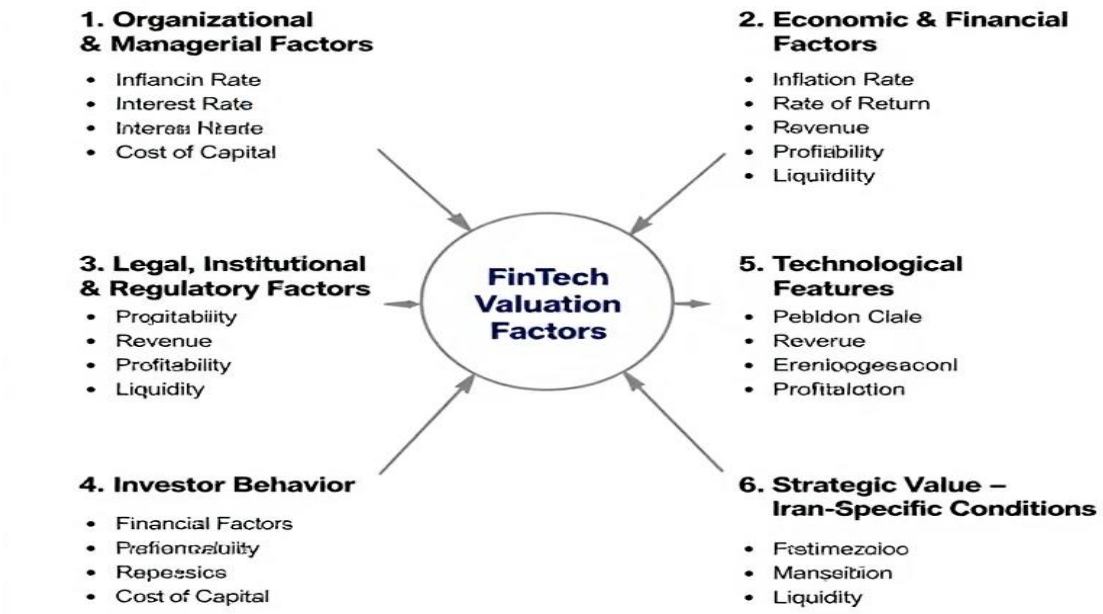

Figure 1. The Conceptual Framework of the Study – Determinants of FinTech Valuation in the Capital Market

4. Discussion and Conclusion

The present study aimed to develop a comprehensive understanding of the determinants shaping the valuation of FinTech firms in the Iranian capital market by integrating economic, technological, institutional, behavioral, and strategic dimensions. The findings clearly demonstrate that FinTech valuation in Iran cannot be adequately explained through conventional financial indicators alone. Instead, it emerges from a complex interaction among macro-financial conditions, innovation intensity, regulatory architecture, investor psychology, and contextual strategic value. This multidimensional structure aligns with the growing consensus in the global literature that FinTech enterprises represent a fundamentally new class of value-creating organizations whose economic logic diverges from traditional financial institutions (Visconti, 2020; Xu et al., 2025).

One of the most prominent results of the study is the central role of macroeconomic and financial conditions in shaping valuation outcomes. Inflation rate, interest rate volatility, cost of capital, market growth potential, and overall economic stability were identified as foundational risk-adjustment variables in valuation models. These results are consistent with global evidence demonstrating that FinTech investment flows and equity valuation are highly sensitive to macroeconomic conditions and institutional quality (Golder et al., 2025; Hornuf & Hornuf, 2019). In the Iranian context, however, these macroeconomic effects appear significantly amplified due to persistent inflation, currency instability, and capital market inefficiencies. This finding supports earlier domestic research indicating that Iranian investors and venture capitalists place disproportionate weight on macro-financial uncertainty when evaluating technology-driven firms (Afaghi Kadijani, 2020; Taherkhani, 2018). Consequently, traditional valuation approaches based on stable discount rates and predictable cash flows become structurally unreliable, reinforcing the necessity of scenario-based and adaptive valuation frameworks.

The results further highlight the dominant influence of technological and innovation features on FinTech valuation. The study reveals that proprietary technology, algorithmic advantage, data security, intellectual property ownership, platform scalability, and the valuation of intangible assets function as primary growth multipliers. This outcome strongly corroborates

the arguments of Festel and colleagues, who emphasized that in high-tech startups, technological differentiation and innovation capacity constitute the core drivers of firm value (Festel et al., 2013). Similarly, Langerveld's hybrid valuation framework stresses the need to incorporate technological maturity and innovation uncertainty into valuation models for FinTech firms operating in immature markets (Langerveld, 2018). The present findings extend these insights by demonstrating that in Iran's capital market, technological superiority not only enhances growth expectations but also serves as a protective mechanism against regulatory and market uncertainty, thereby increasing investor confidence and perceived value.

Another critical dimension uncovered in this study is the decisive role of institutional, legal, and regulatory factors. Transparency of Central Bank and stock exchange regulations, regulatory stability, institutional interference, policy volatility, and legal ambiguity were found to exert direct and substantial influence on valuation credibility. These results are consistent with international evidence showing that regulatory environments significantly shape FinTech adoption, investment flows, and valuation outcomes (Golder et al., 2025; Hornuf & Hornuf, 2019). Domestic studies further support this conclusion by identifying regulatory uncertainty as a primary barrier to FinTech development in Iran (Aziminejad et al., 2021; Tahmasebi Aghbolaghi et al., 2021). Moreover, the present findings reinforce Chizari's process model, which underscores the strategic role of institutional buyers and regulatory constraints in determining FinTech valuation within the Iranian ecosystem (Chizari et al., 2022). In this environment, valuation becomes not merely an economic calculation but a regulatory risk assessment process, where institutional credibility functions as a fundamental valuation anchor.

The study also reveals the powerful influence of investor behavior and perception in shaping valuation outcomes. Psychological optimism, speculative sentiment, risk appetite, cognitive biases, and market emotions were identified as major contributors to initial overvaluation and volatility. This aligns closely with behavioral finance theory and prior empirical work showing that investor sentiment exerts strong effects on asset pricing, particularly in innovation-driven sectors characterized by high uncertainty (Lord & Mirabile, 2017; Miloud et al., 2012). In emerging markets such as Iran, where capital market depth remains limited and informational asymmetries persist, these behavioral distortions become even more pronounced (Chizsazan et al., 2015; Taghavifard et al., 2018). The present findings therefore provide empirical confirmation that FinTech valuation in Iran is as much a psychological and social process as it is a financial one.

An additional and uniquely important contribution of this study lies in identifying the strategic value derived from Iran's specific conditions, particularly the development of indigenous solutions and network effects. The study demonstrates that FinTech firms capable of adapting to local regulatory constraints, cultural expectations, and infrastructural limitations generate superior strategic value relative to foreign or imported solutions. This supports prior domestic research emphasizing the importance of localized innovation and national policy alignment in FinTech development (Khazaei et al., 2022; Mohammadi et al., 2023). Furthermore, it extends Ghaemi's model of marketing-based startup valuation by explicitly incorporating contextual strategic value as a core valuation determinant (Ghaemi & Asgari, 2024). In Iran's semi-closed economic environment, such strategic localization emerges as a decisive competitive advantage and a key driver of sustainable valuation.

Collectively, the results confirm that FinTech valuation in Iran constitutes a multi-layered system of interacting forces rather than a linear financial computation. This systemic view is consistent with contemporary valuation theory, which increasingly recognizes that value creation in technology-based firms arises from the integration of organizational, technological, institutional, and behavioral subsystems (Visconti, 2020; Xu et al., 2025). The present study thus contributes to the literature by empirically validating this integrative framework within the Iranian capital market and demonstrating its practical relevance for investors, policymakers, and FinTech managers.

This study, while offering a comprehensive qualitative framework for understanding FinTech valuation in Iran, is subject to several limitations. The reliance on expert interviews, although valuable for capturing deep contextual insights, may introduce subjectivity and limit generalizability. Additionally, the rapidly evolving nature of FinTech markets and regulatory environments means that some findings may change over time. Finally, the qualitative design restricts the ability to statistically test the relative weight of each valuation factor.

Future studies may adopt mixed-method or quantitative approaches to empirically test and validate the proposed valuation model. Longitudinal research could explore how valuation determinants evolve across different stages of FinTech development.

Comparative studies between Iran and other emerging or developed markets would further illuminate contextual differences in valuation mechanisms.

For practitioners, policymakers, and investors, the findings underscore the importance of adopting adaptive, multidimensional valuation frameworks. Strengthening regulatory transparency, investing in technological capabilities, and developing sophisticated investor education programs will significantly enhance the credibility and sustainability of FinTech valuation practices in Iran's capital market.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

The authors report no conflict of interest.

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