



digipay
pay.intuitive
Annual Report
2022-23

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Table of Contents

Introduction	5
Chairman's Editorial	6
CEO's Editorial	8
Digipay 2022-23 at a glance	10
Fintech Ecosystem in Iran and the World	12
User Behaviour on Super Application	26
Credit Services	34
User Behaviour on Instalment Purchase	46
Supply Chain finance (SCF)	56
Credit Scoring and KYC	60
Wealth Management and Insurtech	62
Customer Service and Operation Center	64
Corporate Social Responsibility (CSR)	66
Conclusion	71



Introduction

We are proud to present the 3rd annual report for Digipay at a time when the importance of Fintech in promoting financial inclusion is more recognized than ever. This report provides a detailed analysis of our performance from Farvardin to Esfand, 1401 (i.e., from March 21, 2022, to March 20, 2023) and highlights our success in achieving our financial inclusion goals as a Fintech startup.

Aligned with the principle of transparency, this report covers seven themes, including Fintech's global and regional status, user behavior in Digipay's Fintech services, credit and Instalment purchase services, and the impact of credit service, repayment, credit record, and digital footprint on user behavior. Additionally, we will examine the performance of newly launched Digipay services, customer support operations, and social responsibility events.

Through analyzing user behavior, we hope to provide insights into the Iranian Fintech ecosystem and promote transparency in our performance. We are committed to continuously improving our services and promoting financial inclusion for all.

All amounts in this report have been converted using the average exchange rate of the Iranian Rial to the US Dollar in 2022 **(1 USD = 400,000 IRR)**

Chairman's Editorial: Fintech - A Catalyst for E-Commerce

H. Mohammadi, Chairman

When Digipay was established in 2018 as a financial arm for Digikala Group, we envisioned the powerful combination of Fintech and e-commerce leading to significant advancements in Iran's digital economy. Despite the percentage of online trade increasing from less than 2% to over 4% in the past five years, it still falls short of the global average of 16%. With estimates indicating that over 95% of global transactions will occur online by 2040, it's clear that we need to overcome obstacles and accelerate our pace to keep up with the global trend. Fintech capabilities are indispensable in achieving this goal.

One of Fintech's key contributions to e-commerce is its ability to empower buyers through inclusion-driven strategies. Inflationary economies require more assurance for purchasing power, and Lendtech solutions such as Instalment payments and Buy Now, Pay Later (BNPL) options provide micro-credit advantages that enable more people to have greater purchasing power. Additionally, Fintech solutions such as diverse payment options and credit lines provide end-user-type services that appeal to organizational customers, opening up access to both B2B and B2C markets.

Another Fintech solution that boosts e-commerce growth and development is Supply Chain Finance (SCF). Early Settlement, a service currently offered only to Digikala sellers, enables faster access to working capital, providing marketplace suppliers and sellers with a vital financial lifeline.

Internationally, Fintech is playing an increasingly significant role in e-commerce, with solutions such as currency micro-transactions being utilized to great effect. Despite the challenges posed by sanctions and domestic limitations, Iran's Fintech industry is now poised to enter regional markets, leveraging its vast potential.

Fintech and e-commerce are now inextricably linked, with Fintech driving innovation in the payment industry, simplifying processes, reducing operational

costs, and providing new models and products that make e-commerce faster, easier, and more secure. We believe that Fintech will continue to be a catalyst for e-commerce growth, contributing significantly to Iran's digital economy.





CEO's Editorial: Transparency is Key to Fintech Development

Houman Amini, Founder & CEO

As the Founder and CEO of Digipay, I firmly believe that transparency is essential for the development of the fintech industry. Our mission is to promote financial inclusion and reduce fixed costs in the banking and finance sector, and we believe that fintech is an effective solution to address the economic challenges faced by our country.

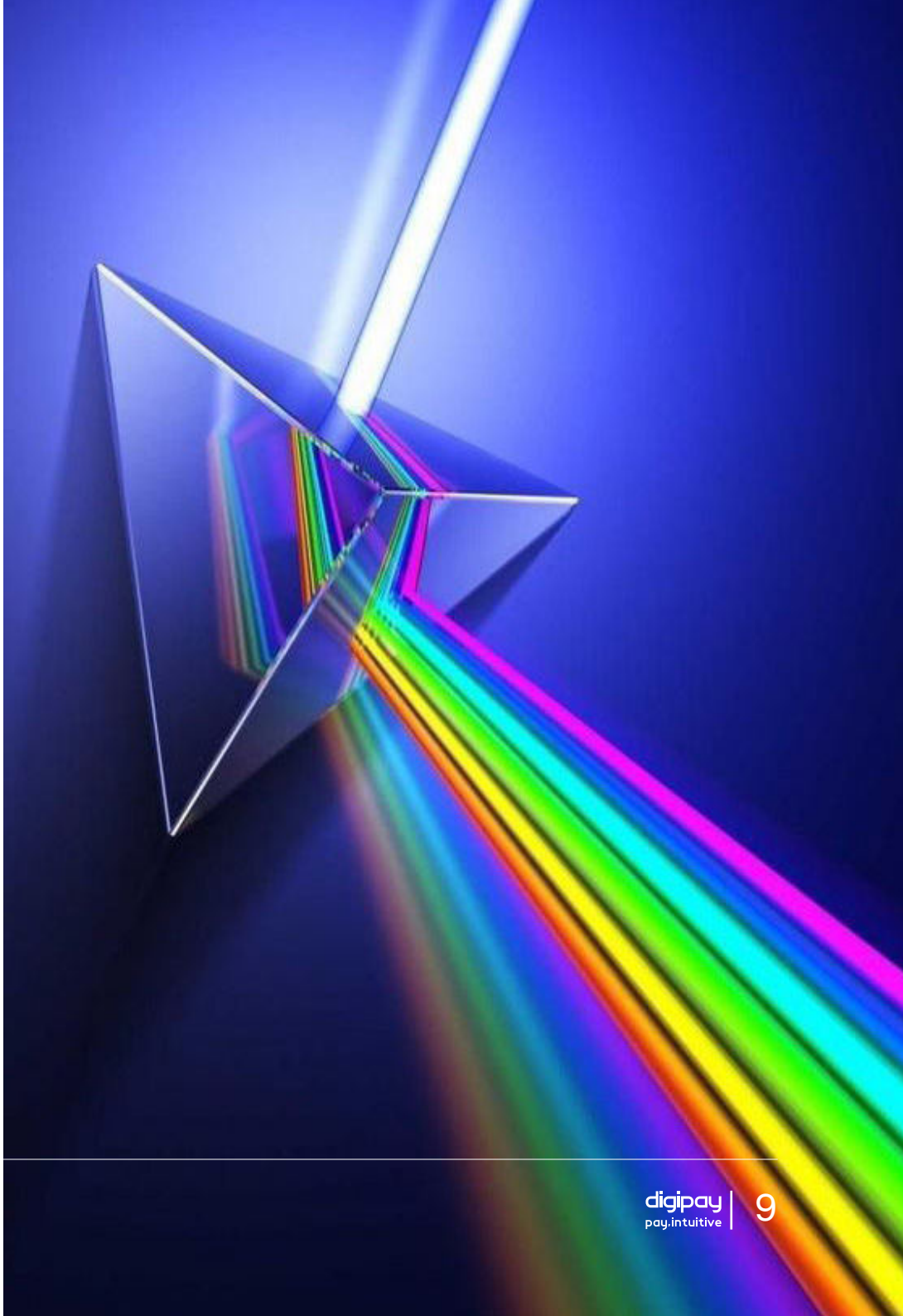
Since our founding five years ago, Digipay has grown from a smart internet payment gateway (IPG) to a provider of diverse fintech solutions that promote fair distribution of economic opportunities. We are proud to offer a range of financial services, including Instalment and credit purchase, insurance, super-application service, credit scoring, and supply chain finance, to both our organizational and individual users across the country.

One of our most successful products is microfinance for Instalment purchases, which has helped increase e-commerce purchasing power, simplify and accelerate processes, and provide equal purchasing opportunities for users. We have faced many challenges along the way, including poor infrastructure, internet limitations, immature laws and regulations, insufficient finance, COVID-19, social and political unrest, and mounting sanctions. However, we have overcome each of these challenges by developing our infrastructure, upgrading our laws and regulations, negotiating to raise more funds, and proactively interacting with industry players and stakeholders.

In 2020, just two years after our founding, we published our first annual transparency report, which was met with interest and curiosity from our audience. We have since continued to publish more detailed editions of this report, recognizing that transparency is a core indicator of financial business maturity. Enhanced transparency positively correlates with user confidence and popularity of financial products, and we believe that ignoring or resisting



it would seriously undermine the thriving of the fintech industry. We urge all fintech industry players and stakeholders to publish similar reports to enhance transparency and boost popularity and trust in the industry. Our 2022-23 transparency report reflects our true performance across all business lines, and we hope that this approach will enable us to identify our shortcomings and strengths and address them to the best of our ability. Looking ahead, we are committed to developing and streamlining activities across the industry in 2023-24 to elevate the digital economy. Transparency will remain a key component of our approach, and we believe that it will be critical to the success of the fintech industry as a whole.



Digipay 2022-23 at a glance



1.3 million

average monthly transactions on super application



4.3 million

average monthly transactions on UPG



+ 2.3 million

micro-credit loans paid



55 million USD* (22 thousand billion IRR)

micro-credit loan paid



+ 2 million BNPL credits

devoted to 610 thousand unique users



25 million USD (10 thousand billion IRR)

BNPL facility paid



37.5 million USD (15 thousand billion IRR)

transacted on e-wallet



10,600 thousand

e-wallet transactions



60 million visits

to both website and application



2 million

active installations (from all valid markets)

*We offer a range of financial solutions to our customers, including buy now, pay later (BNPL) facilities, loans with repayment terms ranging from 12 to 24 months, and credit cards.



FINTECH ECOSYSTEM IN IRAN AND THE WORLD

Annual Report

Digital Economy: Exploring its Past, Present, and Future

The digital economy refers to a global network of economic activities made possible by digital technologies and ICT-based professional arrangements. The term was coined by Don Tapscott in 1995, and since then, it has undergone a constant evolution in both scope and definition. Initially, the global GDP value was predominantly contributed by production and service giants such as ExxonMobil, Walmart, General Motors, McDonalds, Total, and Shell. However, the digital economy has become increasingly prominent over the past two decades, leading to a new era of economic growth.

According to Clause M. Schwab, founder and chairman of the World Economic Forum (WEF), the current age is defined by the Fourth Industrial Revolution. This revolution is not solely focused on smart and connected machines and systems but also encompasses a range of breakthroughs in areas such as gene sequencing, nanotechnology, renewables, and quantum computing. The fusion of these technologies and their interaction across physical, digital, and biological domains makes the fourth industrial revolution fundamentally different from previous ones.

Advanced technology has become increasingly inexpensive and ubiquitous, with AI and sophisticated sensors now playing critical roles in everyday life. The Fourth Industrial Revolution has created exclusive needs and requirements that can only be addressed using smartphones and the internet. However, the digital economy still generates a range of controversies, both inside and outside of it, as it rapidly transforms traditional economic arrangements into digital ones.

GDP breakdowns reveal a significant share of the global economy is now digital, with companies such as Apple, Amazon, Google, Microsoft, and

Facebook occupying the top five highest-value spots. This trend is set to continue, with a joint study conducted by Huawei and Oxford Economics predicting that by 2025, 25% of the world economy will be digital, valued at USD 23 trillion. In 2015, the percentage was only 15%, indicating a 10% growth rate over a decade. Furthermore, research undertaken by FUndera shows that by 2040, e-commerce will account for 95% of global transactions.

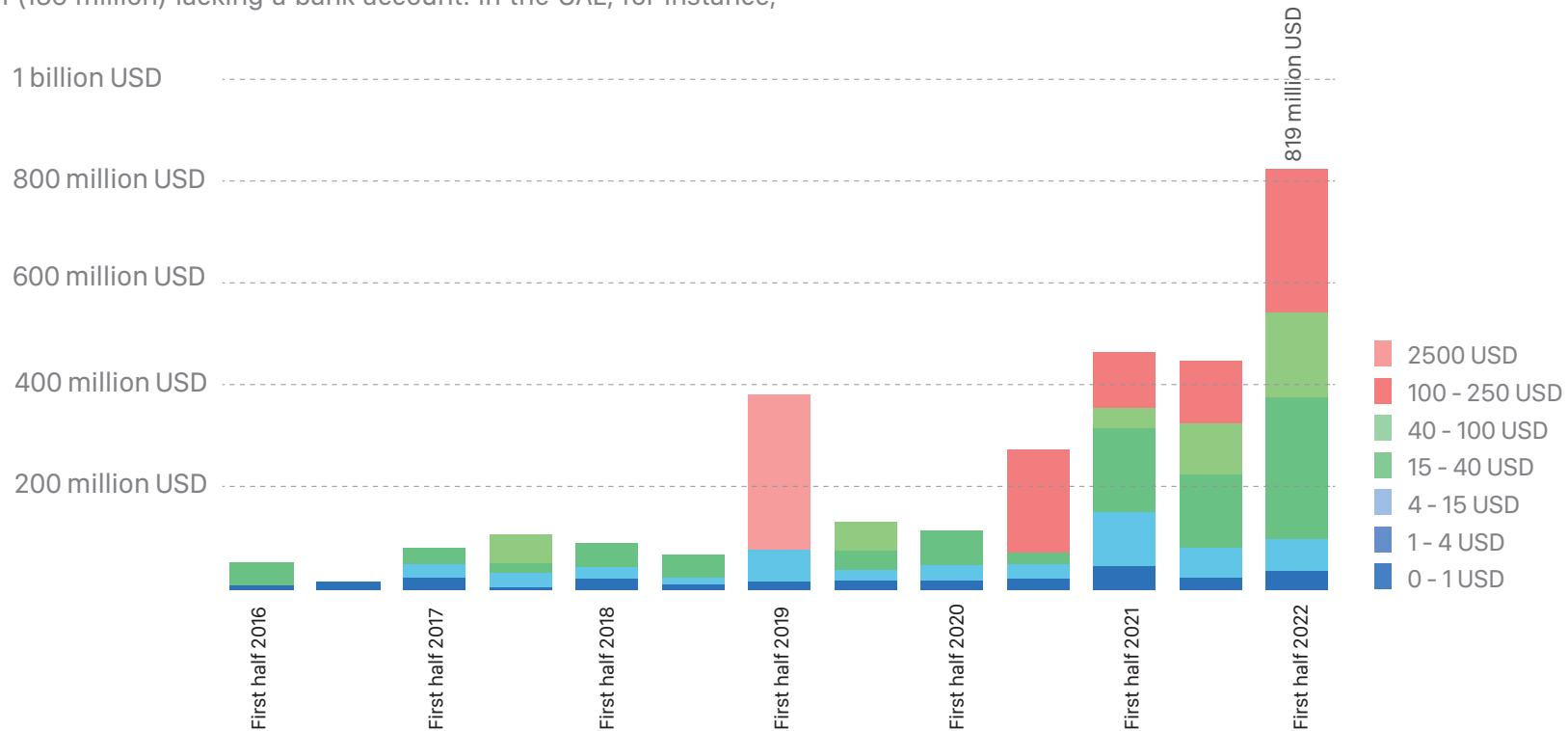
In summary, the digital economy has come a long way since its inception, and it shows no signs of slowing down. As the world becomes increasingly reliant on digital technologies, it is clear that the future of the economy lies in the hands of those who can navigate this new landscape.

The Digital Economy in MENA Region

The Middle East and North Africa (MENA) region has become a prime location for the growth and development of the digital economy due to its large market scale and the absence of well-established financial institutions. In fact, over 60% of the population in MENA is under 30 years of age, compared to only a third in Europe. Moreover, the region has a high level of receptiveness to digital technology, with 67% of the adult population (136 million) lacking a bank account. In the UAE, for instance,

more than 50% of people use digital wallet services.

Fintech startups in MENA have been experiencing remarkable growth rates, as evidenced by the Fintech market value in the first half of 2022, which hit USD 819 million – almost twice the figure recorded for the same period in the previous year. This trend highlights the potential and opportunities for digital economy development in the MENA region.



Currently, MENA region is home to over 800 Fintech startups worth USD 15.5 billion

SOURCE: DEALROOM.CO



MENA Map

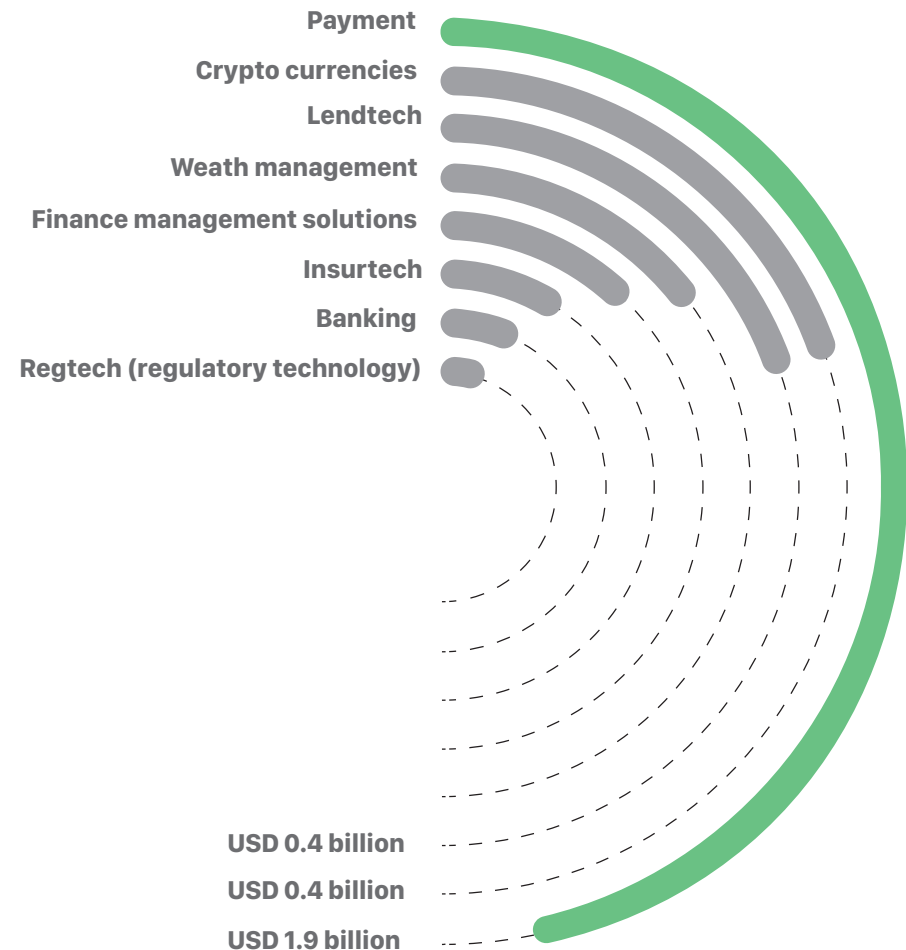
Emerging Fintech Trends in MENA

The Middle East and North Africa (MENA) region has become a hotbed for innovative fintech startups, driven by the region's young and tech-savvy population and the absence of well-established financial institutions. The fintech sector in the region has attracted significant capital, with payment solutions being the most successful in securing funding, followed by crypto currency and Lendtech players. Since 2016, MENA-based payment solutions startups have secured an impressive \$1.2 billion in investments, while crypto and Lendtech companies have raised approximately \$0.4 billion.

Among the trending fintech services in the region, Buy Now Pay Later (BNPL) has been experiencing significant growth in the past two years. According to a survey by Checkout.com, BNPL has a penetration rate of 24% more in the MENA region than in the UK and 23% more than in Europe. Supply Chain Finance (SCF) is another emerging payment solution in the region that enables individual recipients and small and medium businesses (SMBs) to access their working capital more quickly.

The MENA region is home to a large immigrant community from India, Pakistan, Bangladesh, Sri Lanka, and the Philippines, making it one of the world's largest money transfer corridors. Micro-currency transfer solutions are, therefore, vital to the region's fintech ecosystem.

Open banking is another crucial requirement for the MENA fintech ecosystem to thrive. It allows traditional and fintech institutions to leverage technological infrastructure and Application Programming Interface (API) to offer innovative e-payment and lending services.



Capital raised in Fintech lines - MENA region

Source: dealroom.co

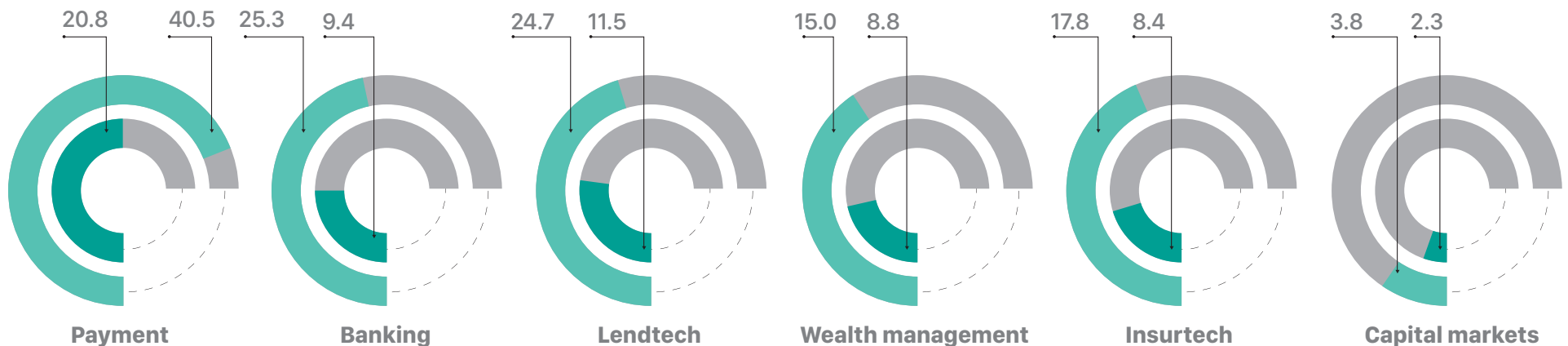
Main Global Fintech Trends in 2022

In 2022, the global Fintech industry investment rate had a 46-percent swoop down, compared to its previous year, to USD 75.2 billion. The budget secured by the industry for the last quarter of 2022 has been only USD 10.7 billion – the lowest since 2018. The shrink is also evident across other Fintech indices. The annual mergers and acquisitions in 2022, for example, experiencing a reduction by 8% compared to the previous year, have fallen to 5048. Likewise, other 2022 statistics don't look good for Fintech industry as there is seen to be a sharp ebb (58%) in the number of unicorns born (69), compared to 166 in the year 2021.

Fintech Investment Shrinkage in 2022

The year 2022 saw investment shrinkage across almost the entire Fintech lines

Global investment across Fintech lines in 2022

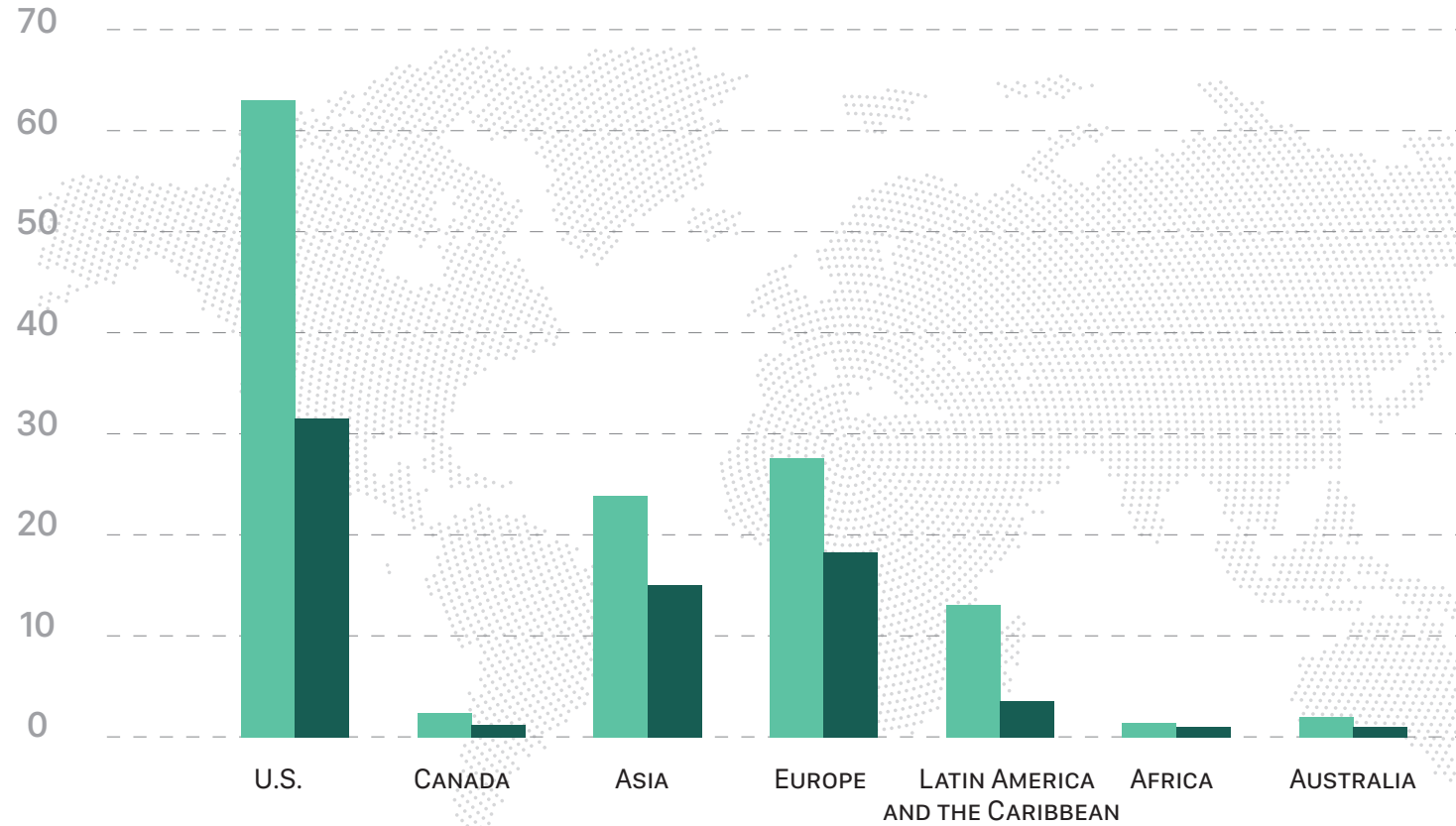


Source: CB Insight's 2022 report on global Fintech status

■ 2022 (USD billion) ■ 2021 (USD billion)

Fintech Investment Status in 2022






Global downtrend in Fintech



■ 2022 (USD billion)
■ 2021 (USD billion)

The global reduction of investment in Fintech

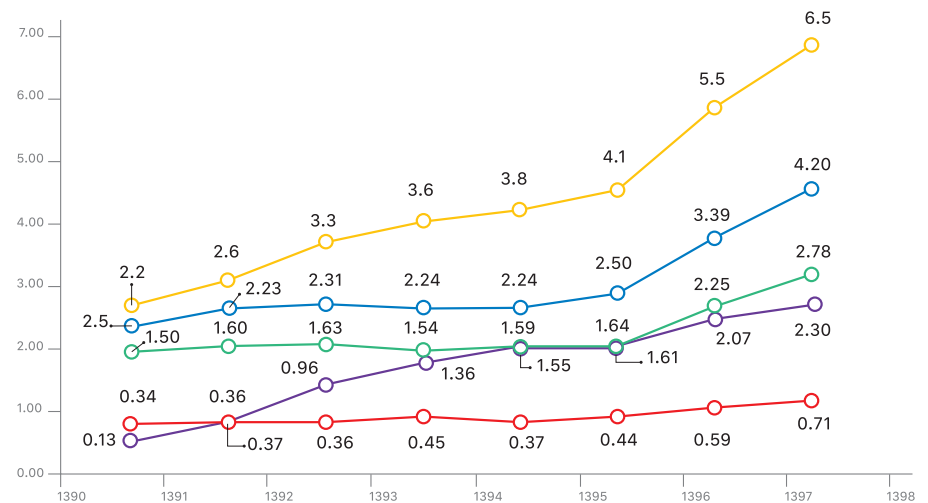
Share Evaluation of BNPL Giants as a Result of 2021 Crisis

Company	Pre-crisis value	Post-crisis value
 Klarna.	46 billion USD	6 billion USD
 afterpay	29 billion USD	14.76 billion USD
 Square	110 billion USD	41.47 billion USD
 paidy	2.7 billion USD	(merged with PayPal)
 PayPal	127.58 billion USD	94.55 billion USD

2022: A Year of Internet Limitations for Iran's Digital Economy

It is a well-known fact that digital economy is becoming increasingly crucial to the overall economy, integrating social and economic systems. With its chunky share in GDP and predictions estimating it to hold 95% of global transactions by 2040, the Iranian digital economy must overcome all sorts of impediments to move forward. The COVID-19 pandemic has accelerated digitalization worldwide, including Iran. According to the latest report by the National Office for Digital Economy, the digital share of the Iranian economy almost tripled from 2012 to 2020. The digital economy share of GDP for 2022-23 was 7.4%. However, 2022 was also the year when Iran's digital economy faced severe shocks from a series of stringent internet limitations that affected social commerce and tech-based businesses.

Although a thorough and transparent study on the incurred losses is yet to be done, the Head of the Committee for Innovative Economy and Digital Transformation in Tehran's Chamber of Commerce stated that within only one month after the introduction of the limitations, the consequent losses had already been 875 million USD (350 thousand billion IRR) for the ICT economy and 1.125 billion USD (450 thousand billion IRR) for businesses in other areas of commerce. These preliminary figures speak to the magnitude of the massive blow to Iran's digital economy.



GDP Breakdown by Digital Economy layers



Source: Iranian Digital Economy: Its Concept and Size- Ministry of ICT, 1399 (2020)

Top Economies with the Highest Digital Growth Momentum in 2020

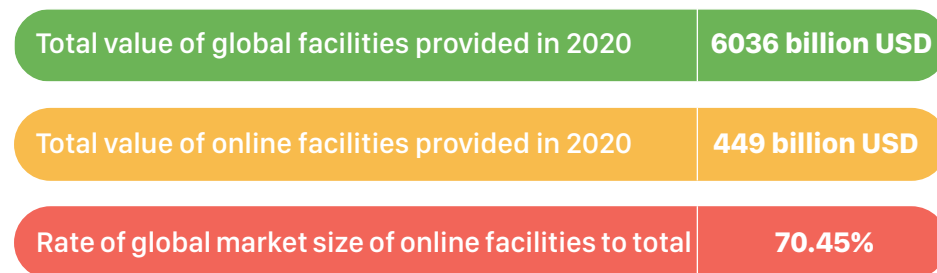
According to research conducted by Tufts University, Iran ranks sixth globally in terms of digital growth pace, out of 90 economies analyzed. While Iran holds an average mark on digital evolution, its rapid progress in digital growth is noteworthy.



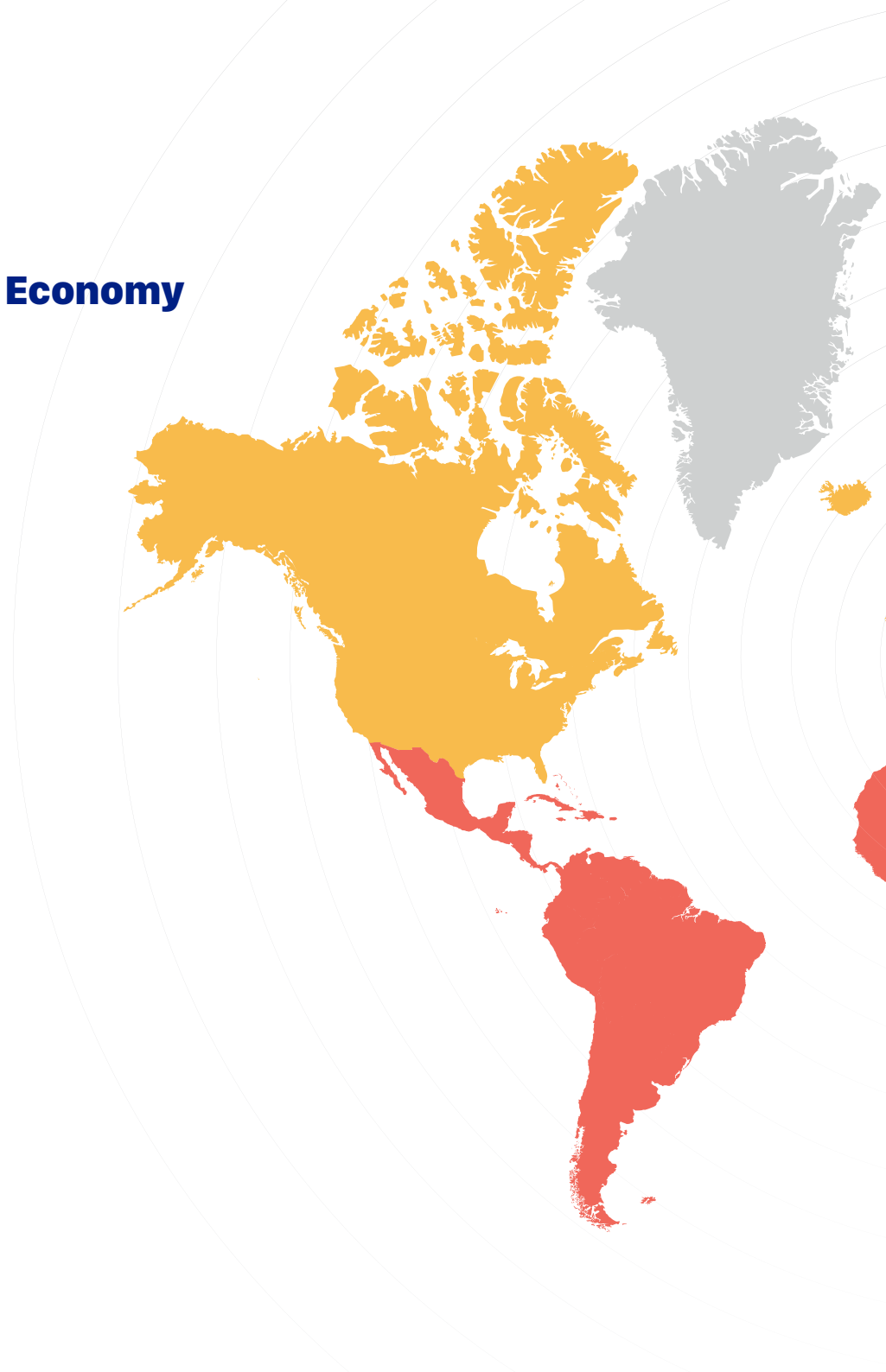
Source: Iranian Digital Economy Report – 1399 (2020)

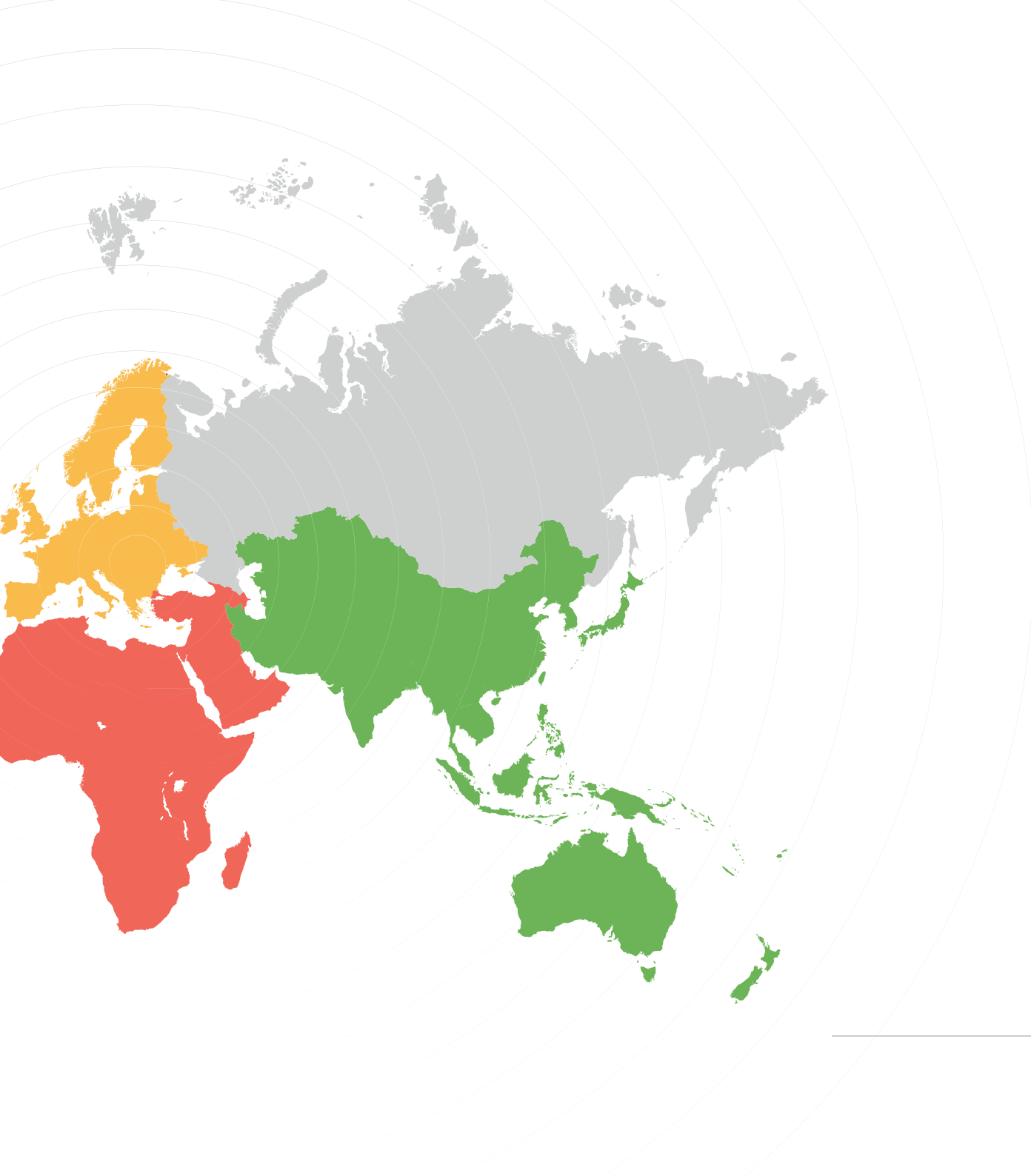
Lendtech Solutions and Their Role in the Digital Economy

Lendtech solutions play a crucial part in paving the way for financial inclusion. Lendtech platforms do so by interfacing between banking system and clients either directly or via e-commerce platforms.



Source: Mordor Intelligence





Growth categories by region

- High 
- Medium 
- Low 

Lendtech in Iran: Microfinance Facilities Paid in 2021

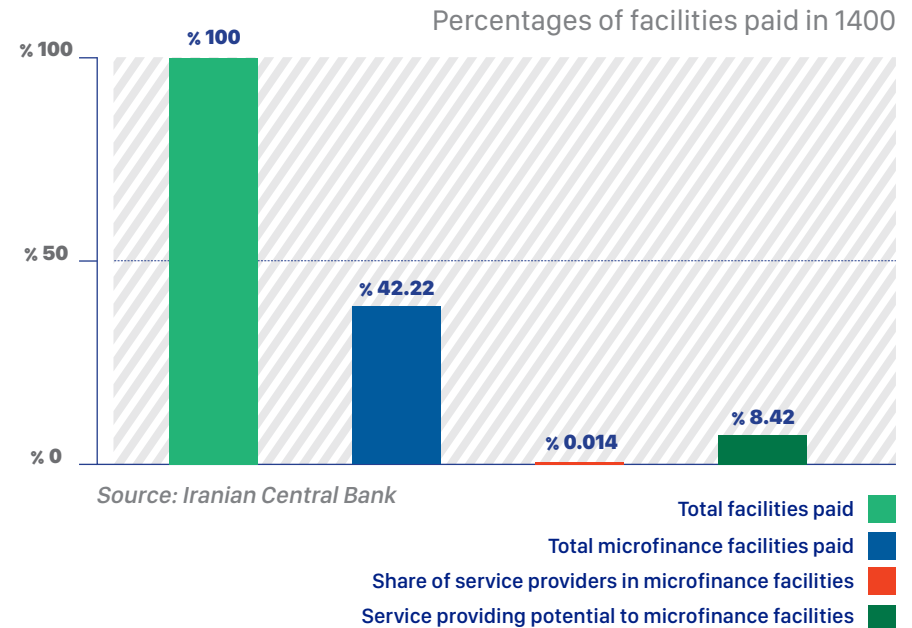
Service providing potential to microfinance facilities	Potential service providing value in digital economy	Share of service providers in microfinance facilities	Digital economy sales to microfinance facilities	Share of Microfinance facilities in total facilities paid	Total calculated digital economy sales in 1400	Microfinance facilities paid by service providers	Total microfinance facilities paid	Total facilities paid
8.42%	40	0.014%	4.55%	42%	21.625	2-3	47.5	112.5

*values in billion USD

The total value of microfinance facilities paid in 2021-22 has been estimated based on the sales value of the first three quarters, which amounted to 925 million USD (370,000 thousand billion IRR).

The value of Iran's digital economy has been calculated based on online purchases made through the Shaparak system, excluding card-to-card transactions.

While sales by instalment are used for financing in areas other than microfinance, this report focuses primarily on microfinance and estimates that such applications outside of microfinance would not significantly affect the report's validity. For instance, some applications may be for securing raw materials and obtaining loans from the National Development Fund. According to a 2020 report by Statistica, e-commerce sales via credit methods have been over 185% higher than sales via debit cards.



The Digital Economy: An Underestimated Savior for Iran

For the Iranian economy, the last decade of the twentieth century was a nightmare of sanctions, isolation, recession, negative growth, and currency devaluation. Despite these challenges, the digital economy has shown unexpected growth, becoming a beacon of hope for the larger national economy.

Several factors have contributed to the positive growth of Iran's digital share of GDP, including high penetration rates of smartphones and internet access, and the growth of e-commerce and ICT, which was fueled in part by the COVID-19 pandemic. Furthermore, the success of the digital economy is even more notable considering the shrinking non-digital GDP.

Despite stagflation and other economic challenges, the domestic digital economy has continued to grow, and this provides legitimate hope for the salvation of the larger national economy. The digital economy is a savior that we have underestimated, and it has the potential to lead Iran towards a brighter economic future.



USER BEHAVIOUR ON SUPER APPLICATION

Annual Report



Reflecting on 2022-23: A Year of Challenges and Triumphs

Perseverance and hope in a hard year

Despite the numerous difficulties and obstacles that we faced in 2022-23, our perseverance and hope enabled us to achieve significant successes. One of the most notable achievements was our strategic partnership with Mellat and Tejarat, two of Iran's most reputable banks, through which Techno Tejarat innovation center made the largest fintech investment in Digipay. This investment, along with other initiatives, allowed us to diversify our partners and foster greater synergy between the fintech ecosystem and the banking system, thereby promoting financial inclusion.

In addition, we launched several products in 2022-23, including BNPL, Insuretech, Wealthtech, and SCF, each of which was the result of hundreds of man-hours of technical research and development. This year was characterized by fundamental actions and a deep understanding of the industry and the potential of the digital economy. We will share a roundup of our most significant accomplishments in the following sections.



The Digipay Super Application: Offering a Wide Range of Financial Services

The Digipay Super Application provides users with a wide variety of financial services. Currently, users can access a range of products, including card-to-card payments, purchasing internet and mobile top-ups, bill payment, toll payment, charity donations, fare payment, and fine queries. In this section, we will take a closer look at user behavior on the Digipay Super Application in 2022-23.

Values Transacted in Some Most Popular Digipay Services



Total value transacted on Digipay super application
155 million USD (62 thousand billion IRR)



the most transactions made by a single user in a year
4792 transactions



Card-to-card transactions
102.5 million USD (41 thousand billion IRR)



Mobile top-ups
+1.04 million USD (+416 billion IRR)



Traffic fines paid
+37,500 USD (+15 billion IRR)



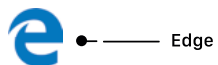
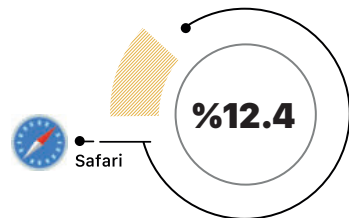
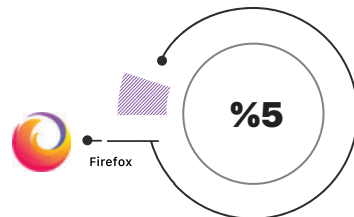
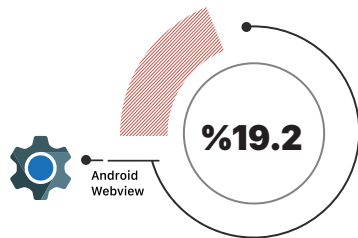
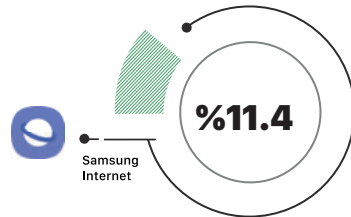
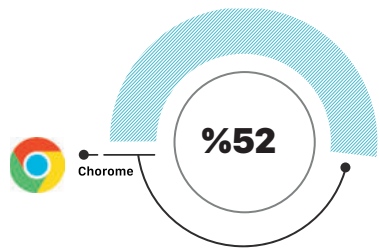
Charity donations
+120,000 USD (+48 billion IRR)



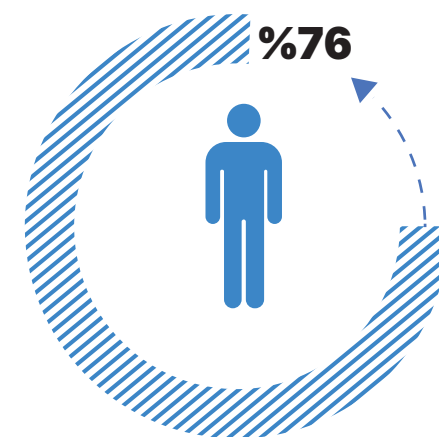
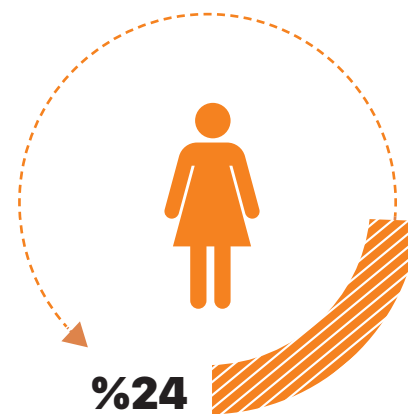
Bill payment
+5.05 million USD (+2,020 billion IRR)



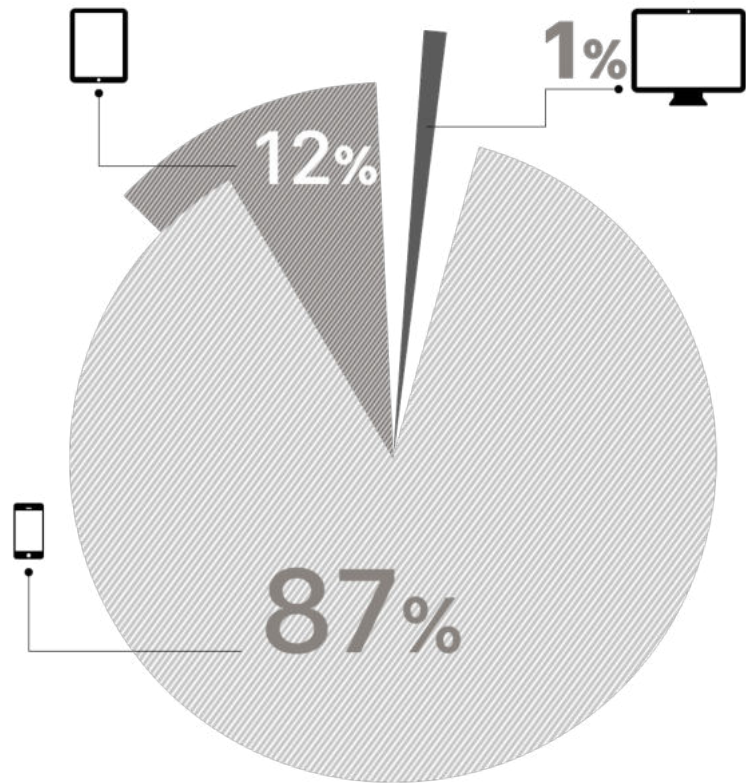
Internet top-ups
+875,000 USD (+350 billion IRR)



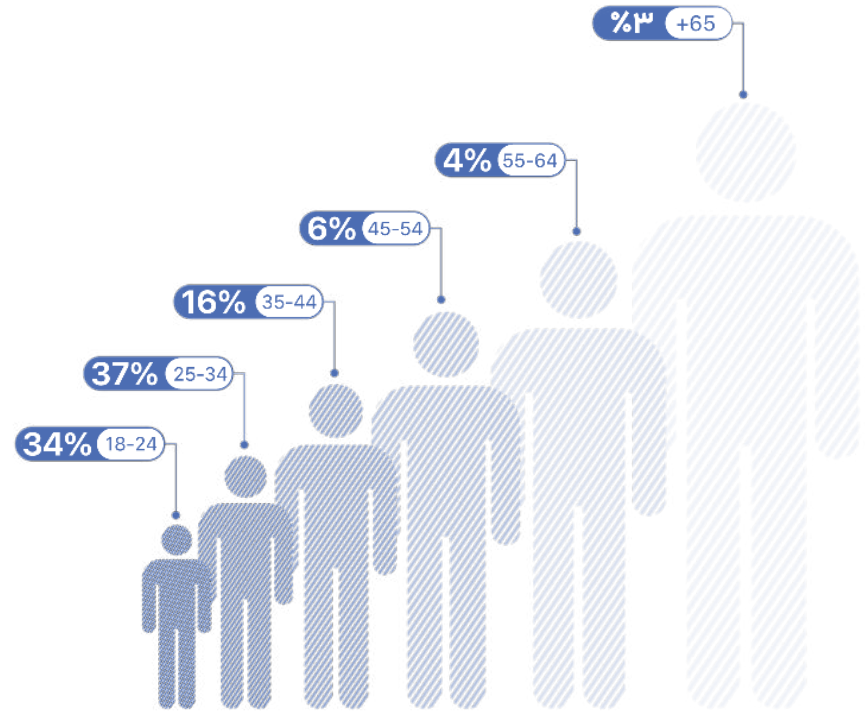
Operating systems and browsers



Users' sex distribution



Devices used



Users' age groups

User Feedback

How much do users recommend Digipay to others?

Have Digipay's users been satisfied with the super application in 2022? To find out, we conducted over 2.2 million user surveys, receiving responses from 3% of our user population. The results of the satisfaction survey can be seen on the next page. We value user feedback and strive to continuously improve our services based on their suggestions and concerns.

Top Reasons for User Dissatisfaction with the Super Application

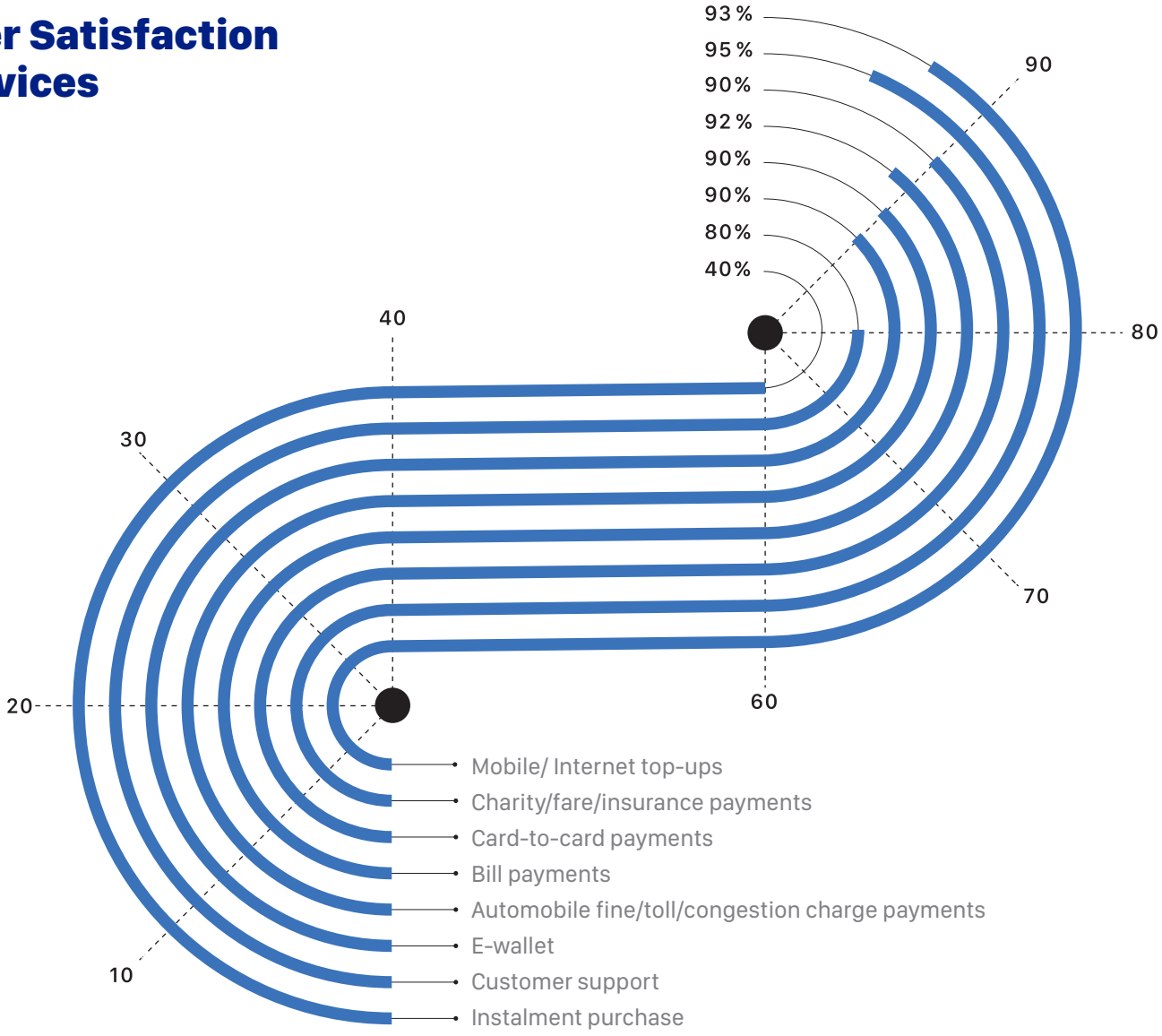
Based on user feedback collected in 2022, the following are the main reasons for user dissatisfaction with Digipay's super application:

- Errors and malfunctions (such as failed transactions, unreachable services, etc.)
- Slow operation (such as late bill settlement, delayed arrival of dynamic CVV2 codes, etc.)
- Poor customer support
- Issues with e-wallet functionality
- Inconvenient user experience or unappealing appearance of the super application.

Main reasons for dissatisfaction among Instalment purchasers:

- Cumbersome and time-consuming process, from registration to payment of operational fees
- Lack of clarity on chargeable interest rates and advance payment requirements
- Poor customer support
- Ambiguity in the instructions for completing the required documentation or writing a check
- Difficulties with using credit services for returned or cancelled goods

Ranked Percentages of User Satisfaction with Super Application Services



CREDIT SERVICES

Digipay Annual Report

Instalment purchase: A Credit Solution for All

In pursuit of its financial inclusion mission, Digipay launched the instalment purchase service in 2020, which has had a significant impact on microfinance availability and accessibility. Before the advent of Lendtech solutions, microfinance was difficult and sometimes impossible for many users to obtain. However, Digipay's three years of striving for financial inclusion have contributed significantly to the Iranian digital economy, making 35 trillion IRR in microfinance available to users of the nation's e-commerce ecosystem.

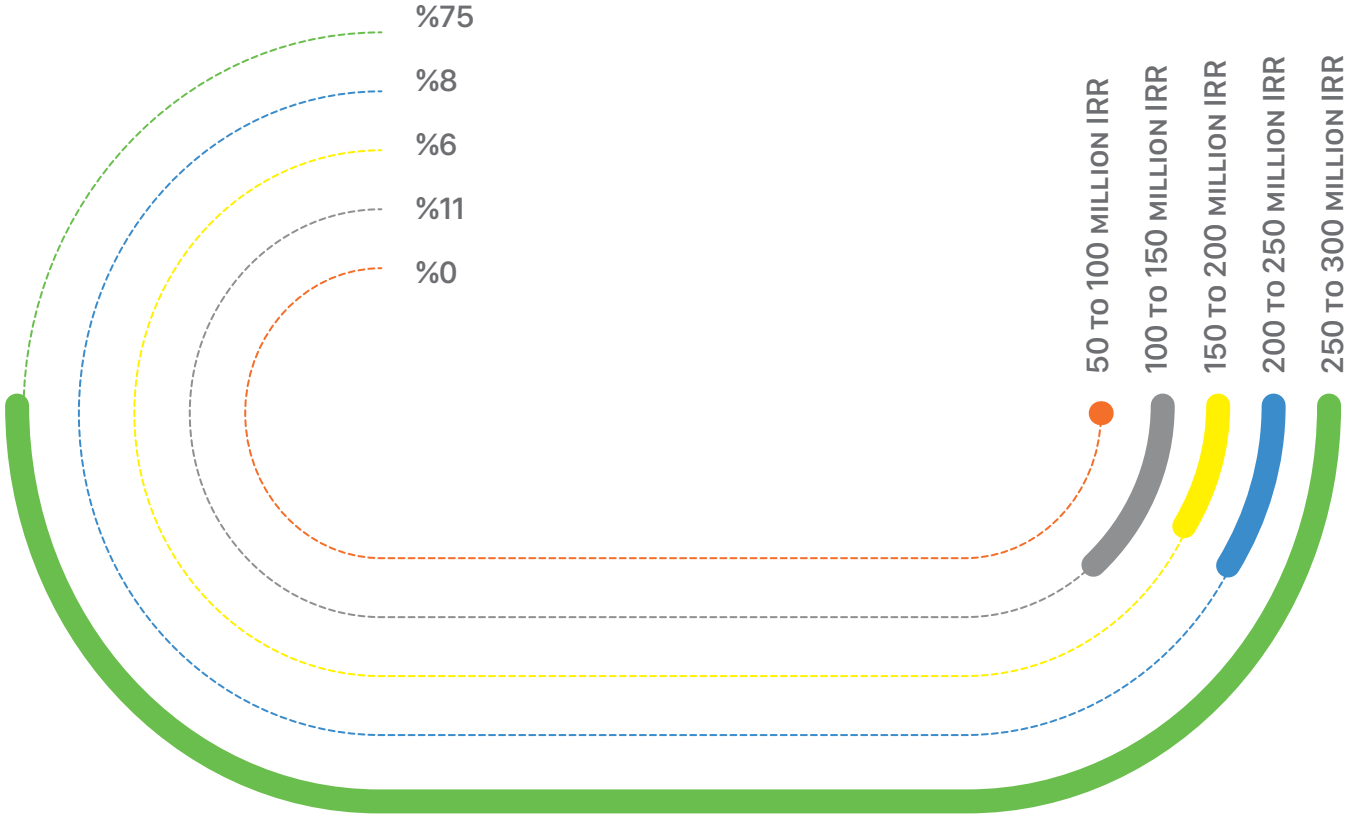
Transparency in credit resource utilization, education on establishing a digital footprint, credit records, reduced fixed costs in microfinance, and overdue payment rates have all contributed to the development of a «digital society» and «digital citizenship.» These are among Digipay's fundamental achievements in support of the national economy.

In 2022-23, the instalment purchase service underwent significant modifications to improve the user experience.

Main Modifications to the Instalment Purchase Service in 2022:

- Increased focus on financial inclusion In 2022-23: Digipay launched a range of credit products with an added emphasis on inclusion, categorizing these products into groups such as «end-users,» «employees», «BNPL», and «small businesses».
- Enhanced interaction with the banking system: Through partnerships with reputable Iranian banks such as Tejarat and Mellat, Digipay increased its diversity of credit resources to provide users with easier and faster access to instalment purchases.
- Increased number of recipients Digipay's constantly satisfactory performance in providing Fintech services to the Digikala Group led to an increase in the number of recipients beyond the Digikala network.
- On track for full digitalization The introduction of electronic promissory notes (eNotes) in 2022 guarantees credit and enables the entire instalment purchase process to go digital, with credit available to users within 15 minutes - almost in real-time.

Diversity of Instalment Purchase Service

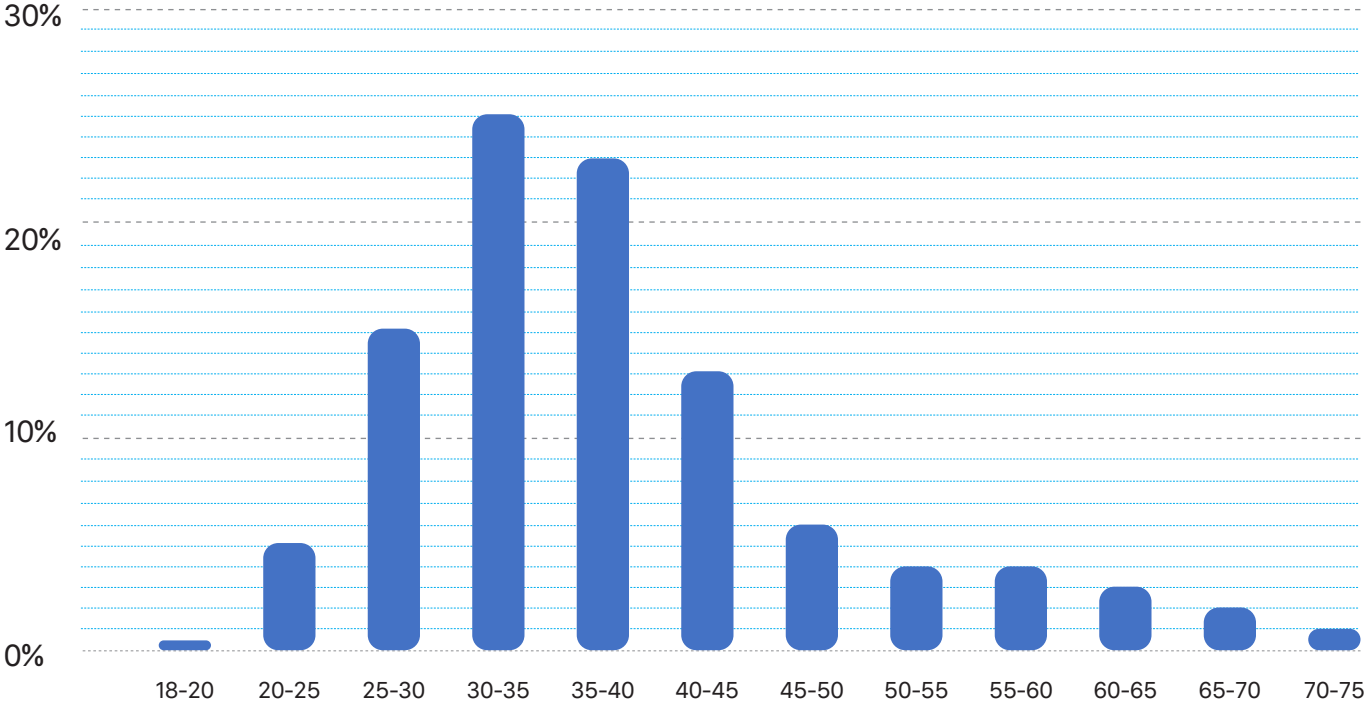


MICROFINANCE PAID
30 MILLION USD
 (12 THOUSAND BILLION IRR)

REQUESTED CREDIT VALUE
+750 MILLION USD
 (+300 THOUSAND BILLION IRR)

NUMBER OF FILED REQUESTS
+2 MILLION

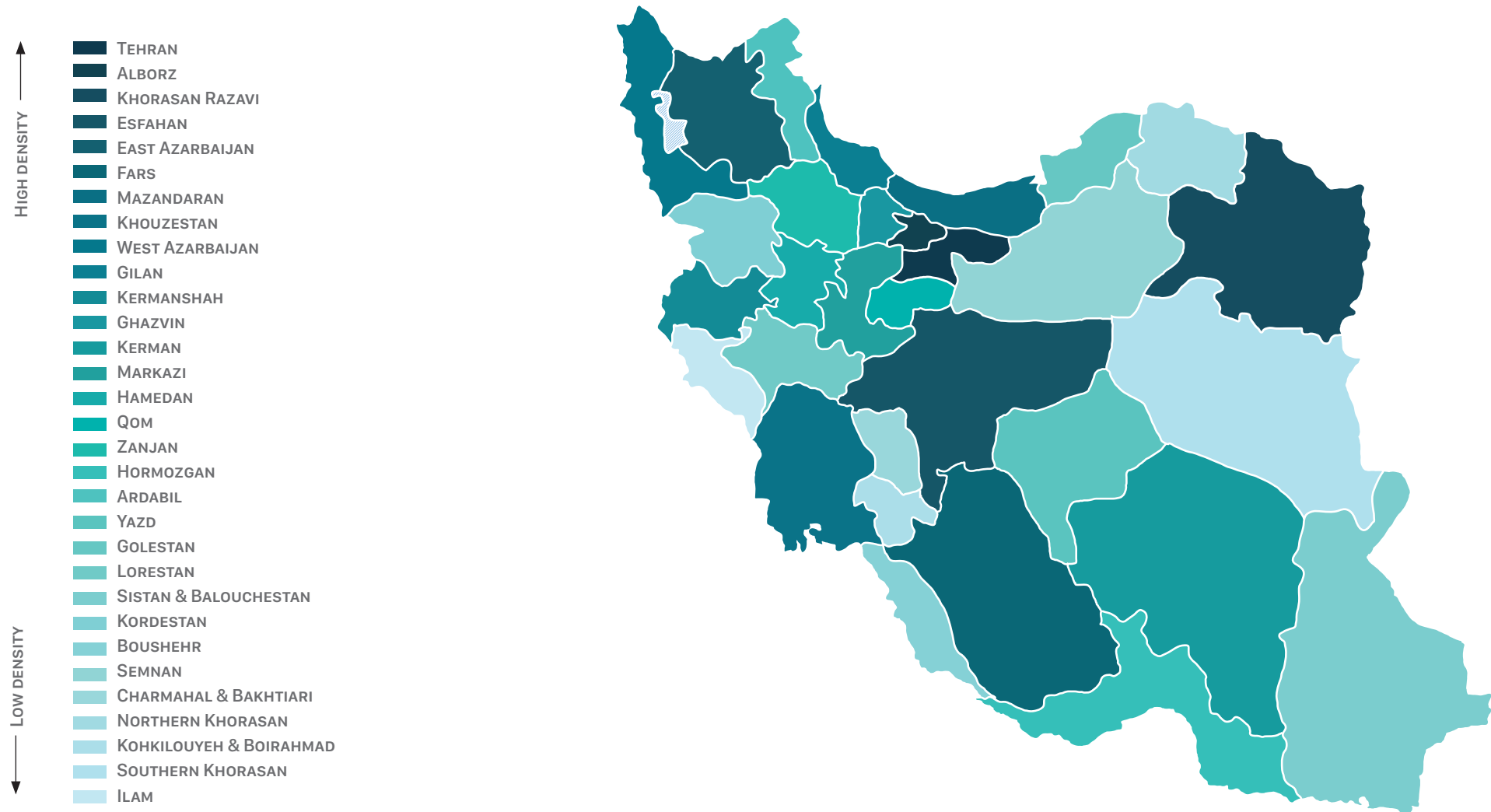
Instalment Purchase by Age Groups



User Sex Distribution for Instalment Purchase



Density of Instalment Purchase Credit Users Province Wise



The Most Popular Commodity Items Purchased on Instalment Credit

Mobile phone **iPhone 13 CH**

Dual SIM, Capacity 128 GB, RAM 4 GB

Samsung smartphone, Galaxy A32

Samsung smartphone, Galaxy A73 (5G)

Samsung smartphone, Galaxy S21 FE (5G)

Samsung smartphone, Galaxy A53 (5G)

Xiaomi smartphone, POCO X4 PRO (5G)

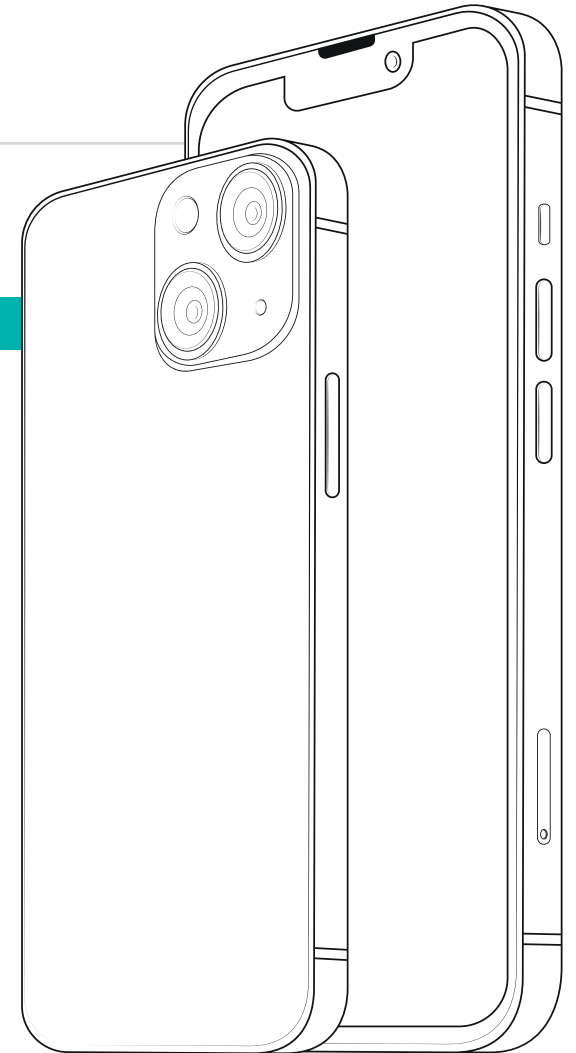
Xiaomi smartphone, Redmi Note 11

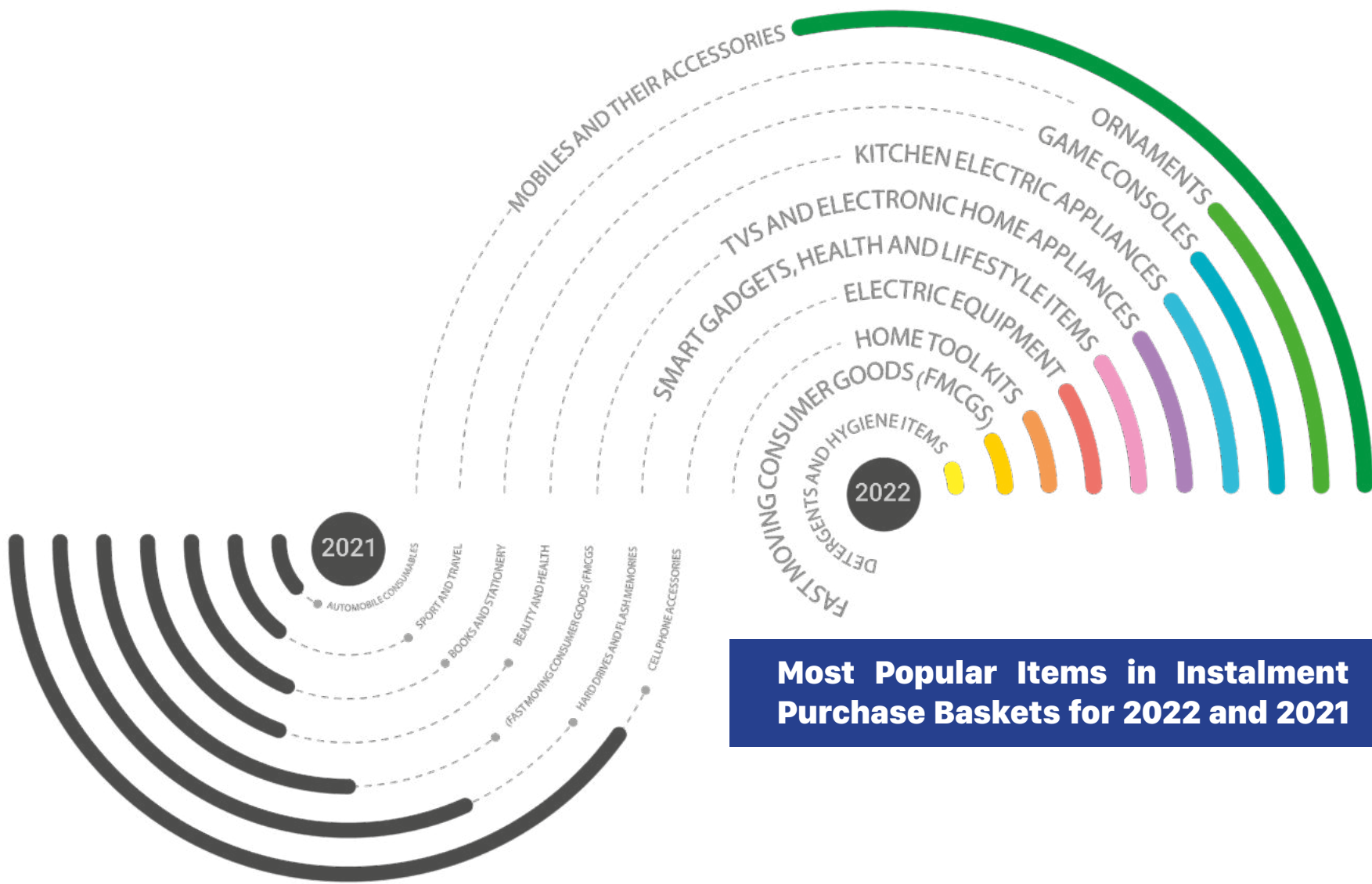
iPhone smartphone, 13 Pro Max

Samsung smartphone, Galaxy A73 5G SM-A736B/DS

Samsung smartphone, Galaxy A13

Samsung smartphone, Galaxy A13 SM-A137F/DS





Most Popular Items in Instalment Purchase Baskets for 2022 and 2021

Buy Now, Pay Later (BNPL)

Digipay added BNPL to its credit services in the last quarter of 2021-22 to address individual users' needs for affordable short-term loans. By 2022, the service had matured enough to expand to include organizational users. BNPL offers interest-free short-term loans to users and helps those who have not yet established a credit history to create a credit record and improve their credit scores in the Iranian banking system.

Digipay has customized various BNPL products based on users' financial abilities to help them avoid incurring debts that are too large to repay.

BNPL for End Users

End users who have completed the registration and credit scoring process (which typically takes less than a minute) may claim their credit. The credit amount starts at 3,000,000 IRR and can be as high as 10 million IRR, depending on the user's credit score status. Users must use the credit by the end of the current month and have five days, from the first to the fifth of the following month, to repay the interest-free debt. After repayment, users may instantly apply for another credit. Late repayments incur a fine calculated on a day-count basis, which will be charged to the user's bill.

BNPL for Organizational Users

Organizational users have access to a secured version of BNPL provided by their employers. Each employee is given credit according to their

organization's limit, which is typically based on their monthly salary and repayment ability. The credit claim process for organizational users is the same as that for end users.



+2 million credits paid to
610 thousand unique users

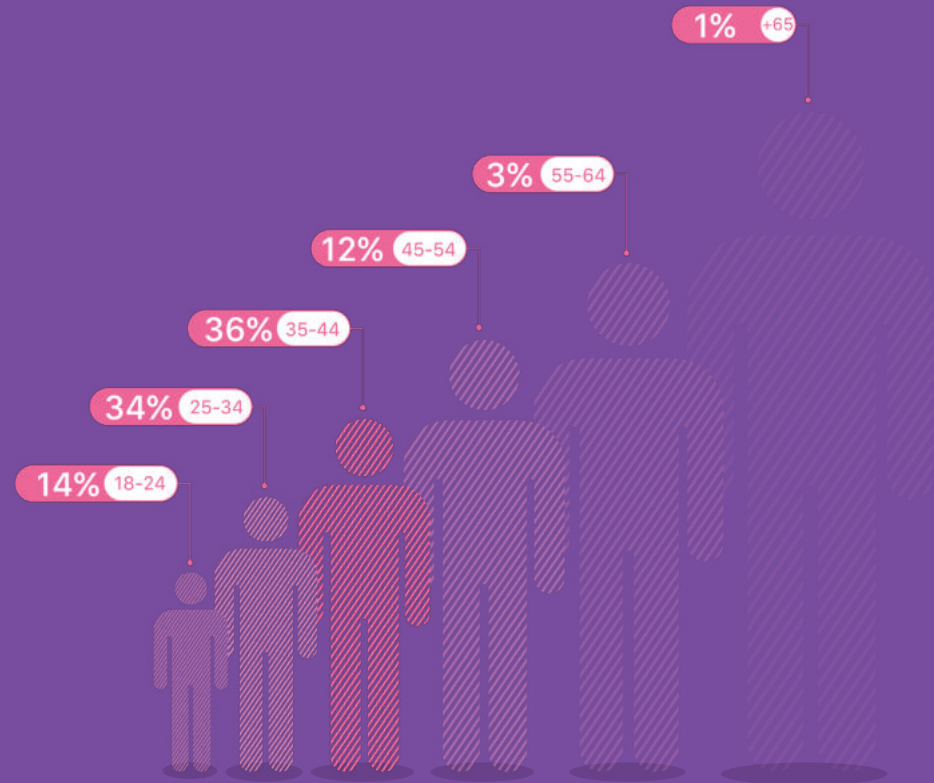


BNPL credits paid
25 million USD (10 thousand billion IRR)

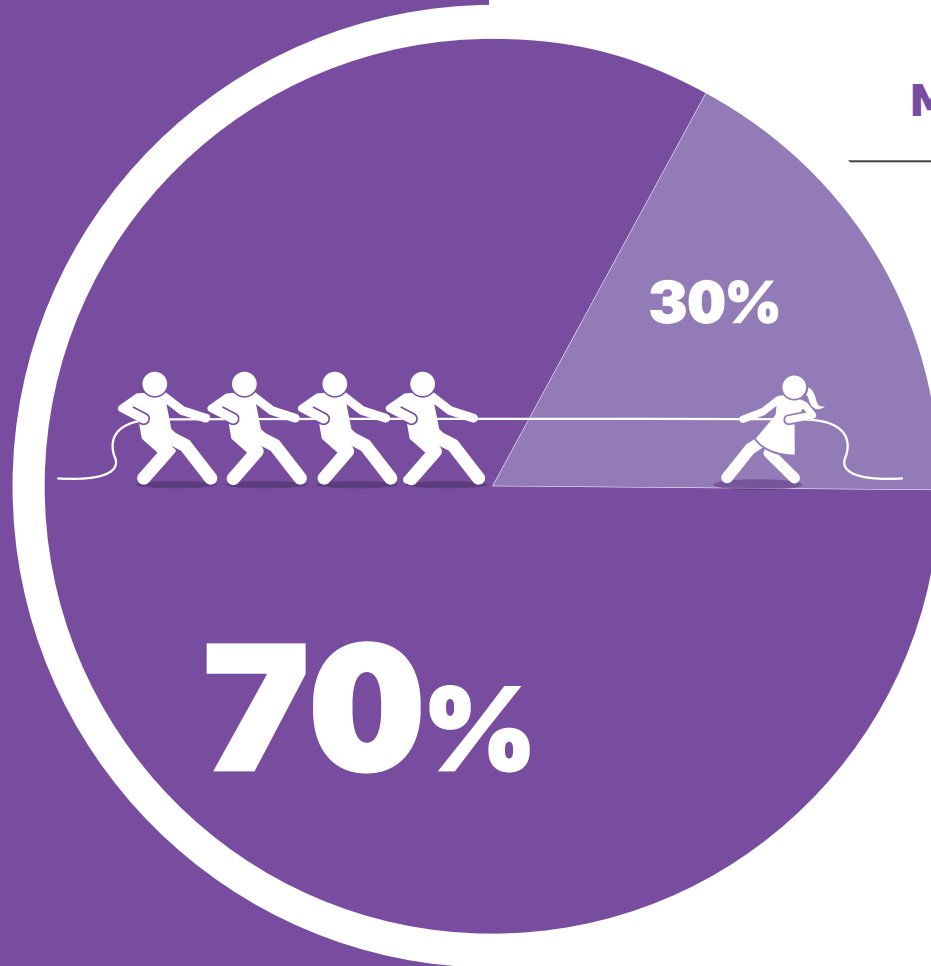
BNPL Users Percentage by Age Group

Most purchased items by BNPL Users

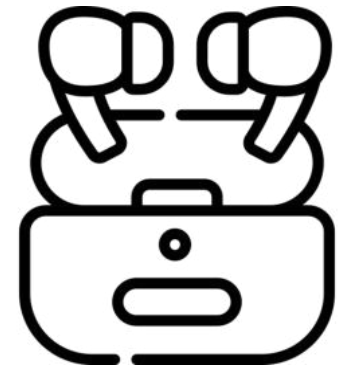
- Beauty and health •
- Digital goods •
- Cars, industrial equipment •
- Books and stationery •
- Fashion and garments •
- (Fast moving consumer goods (FMCGs) •



Men show more interest in credit purchase!









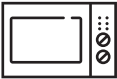











■ Male
■ Female




Bluetooth Handsfree Headset, the Most Popular BNPL Purchase

The Most Utilized BNPL Service in 2022

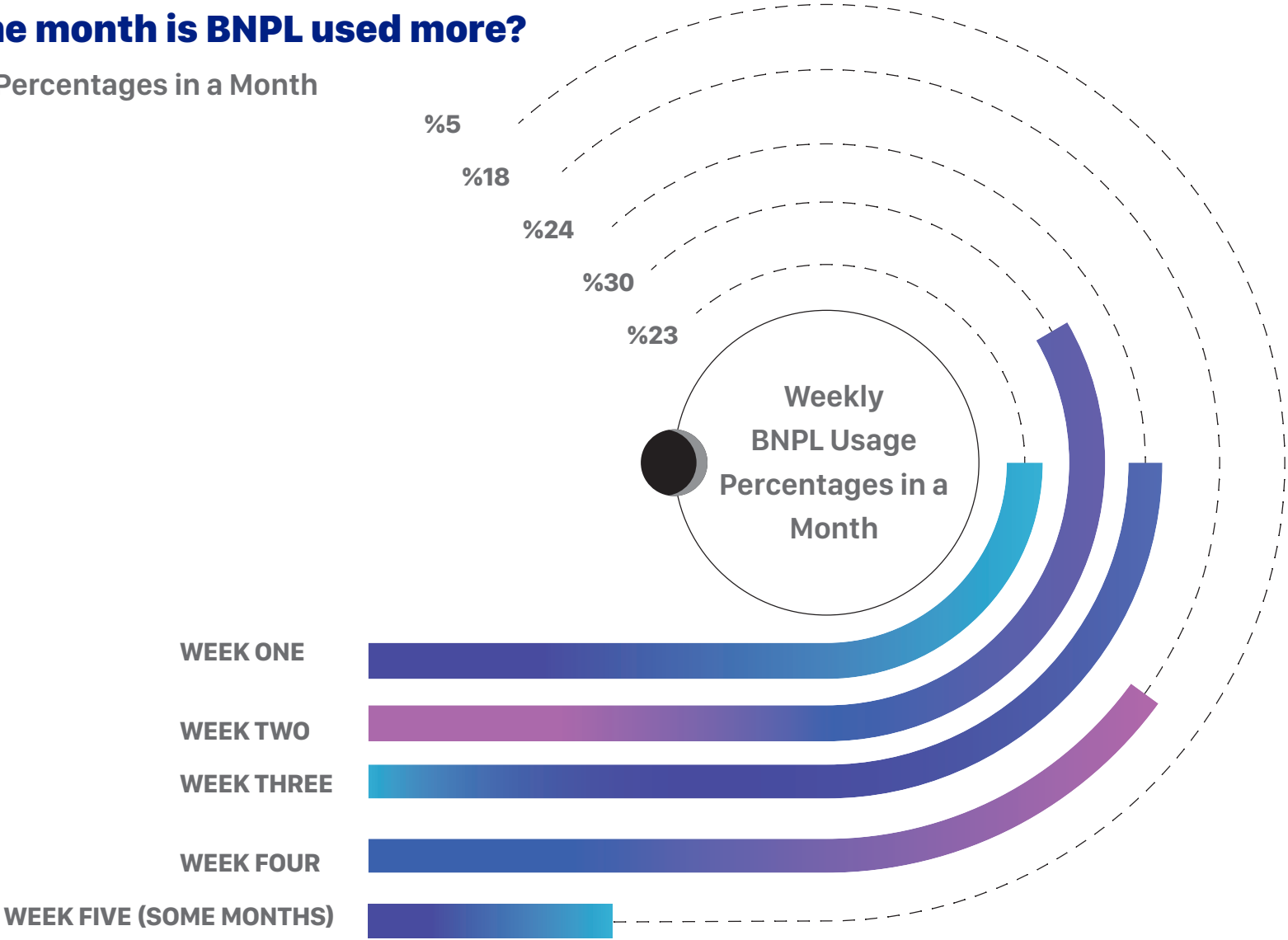
In 2022, one user stood out for the record utilization of Digipay's BNPL service. This user purchased 94 credit baskets worth a total of 1060 million IRR. Based on the items purchased, it is likely that this user is a stylish technician who has a passion for playing the guitar.

 Edu perfume (men's)	 Smart digital scale	 Smart LED lamp	 Glasses strap (men's)	 Laptop (15.6 Inch)	 Laptop (15.6 Inch)
 Microwave set	 Screws and wall plugs	 nails	 hammer	 Pliers	 Rechargeable screwdriver
 Bolts and nuts	 Trousers (men's)	 VGA cable	 Espresso coffee	 French coffee	 Guitar holder



What days of the month is BNPL used more?

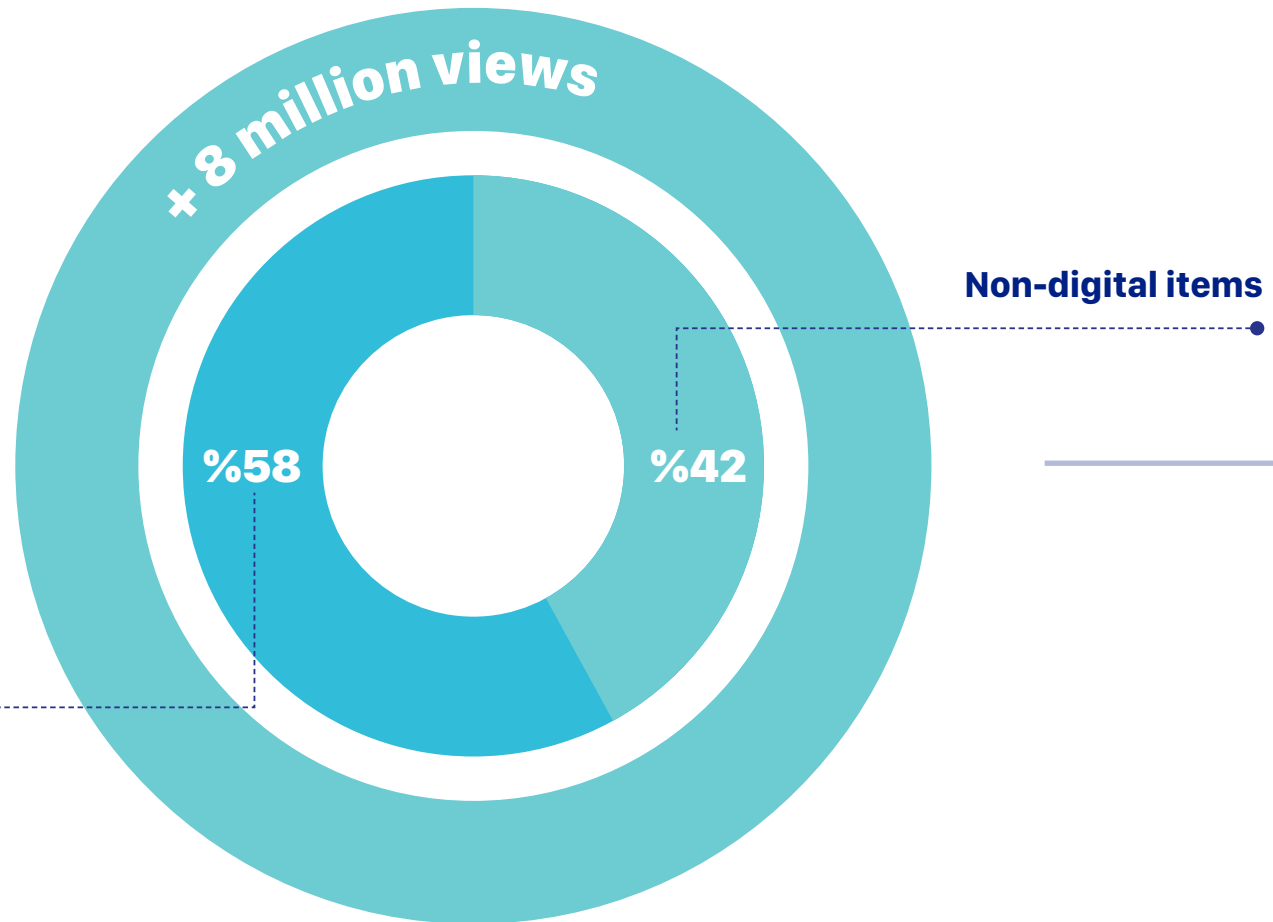
Weekly BNPL Usage Percentages in a Month



USER BEHAVIOUR ON INSTALMENT PURCHASE

Digipay Annual Report

BNPL page visits commodity wise

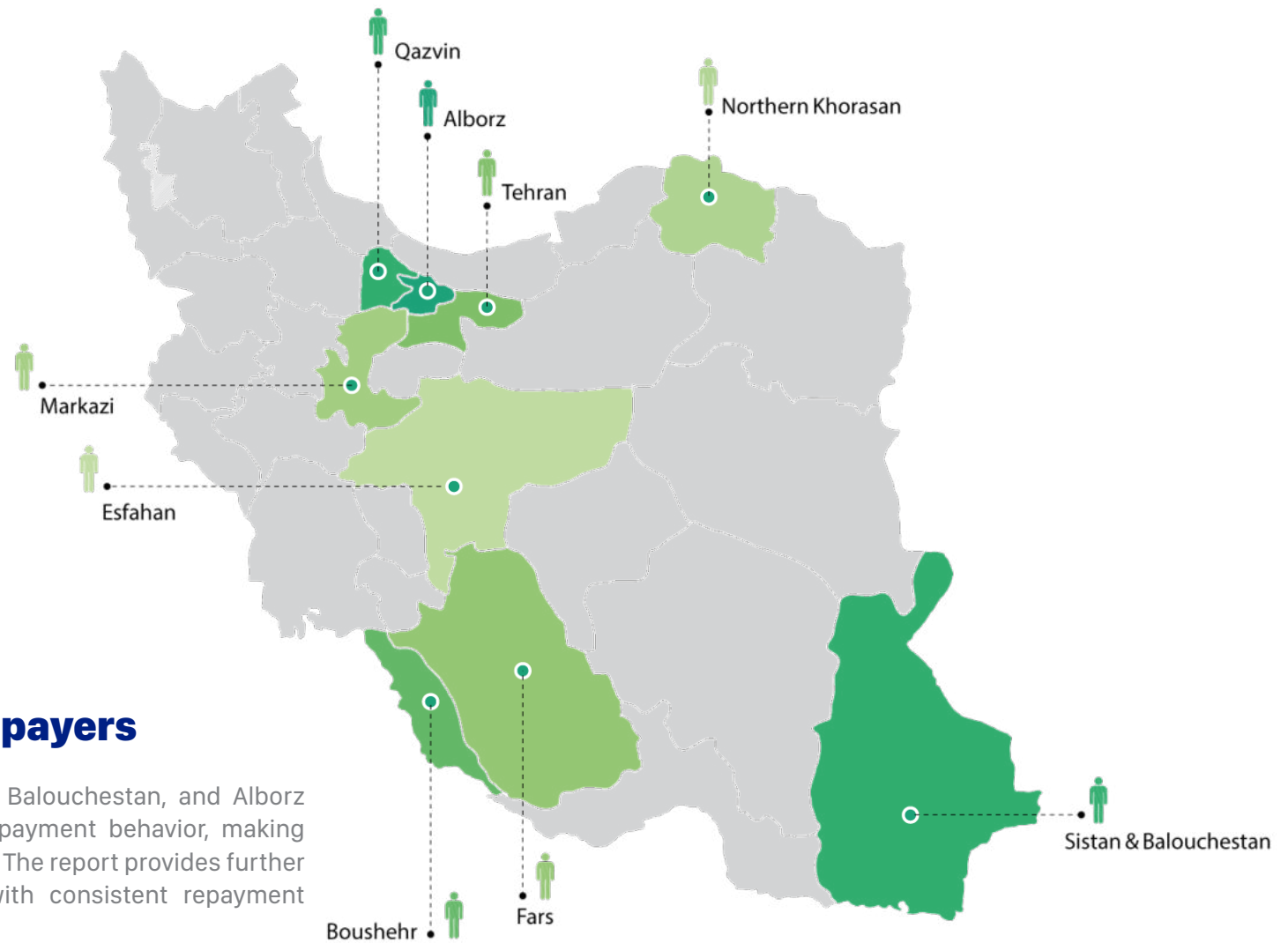


Timely Repayment of BNPL Credits in Various Locations Across Iran

In 2022, Digipay provided BNPL credits to users in over 300 urban and rural areas across Iran. It is worth noting that in 180 of these areas, listed below, there was a zero rate of overdue repayments.

Parsabad	Lordegan	Neiriz	Savadkooh	Kamyaran
Tonekabon	Langroud	Makou	Shoush	Barkhar
Iranshahr	Bam	Asfaryen	Ardakan	Jogtai
Sari	Khodabandeh	Shirvan	Azadshahr	Marivan
Torkaman	Sarab	Aq qala	Sepidan	
Nour	Damqan	Qeshm	Sarpol Zahab	Mehr
Bastak	Bandar Anzali	Chalدران	siboSouran	Avaj
Ghaemshahr	Khansar	Chadegan	Khamir	Dehgolan
Omidyeh	Ramsar	Chardavel	Mehdishahr	Mehriz
Mahallat	Fouman	Shut	Darab	Jouibar
Chenaran	Andimeshk	Farsan	Fasa	Tabas
Maraqeh	Aligoudarz	Bijar	Gilan Gharb	Konarak
Ferdows	Takstan	Genaveh	Mahneshan	Khoushab
Khomein	Abyek	Khalilabad	Ardestan	Bostanabad
Sirjan	Abbasabad	Salmas	Miandoroud	Lalei
Boukan	Divandarreh	Paveh	Varzaqan	Firouzeh
Golpaygan	Syahkal	Sarvestan	Kelardasht	Shoushtar
Roudbar	Fariman	Farahan	Gatvand	Tiran va Koron
Khorrמדarreh	Qouchan	Lamard	Dasht Azadegan	Oshnaviyeh
Saveh	Germi	Meiami	Saman	Bovanat
Zarand	Mianeh	Larestan	Delijan	Qiro Karzin
Bouinzahra	Shahreza	Astara	Azna	Gonabad
Marand	Gonbad Kavous	Daregaz	Zirkouh	Sarbaz
Eslamabad Qarb	Jam	Firouzabad	Firouzkooh	Kangavar
Asalouyeh	Tuyserkan	Eshtehard	Abadeh	Baneh
Zabol	Marvdasht	Jahrom	Shadegan	Rezvanshahr
Khomeinishahr	Rafsanjan	Farashband	Natanz	Mah va Lat
Meshginshahr	Amlash	Soltaniyeh	Arano Bidgol	Tangestan
Kouhdasht	Meibod	Dena	Badreh	Gachsaran
Oqlid	Kangan	Dashtestan	Behbahan	Zarrindasht
Jiroft	Mahmoudabad	Jovin	Fereidun Kenar	Malekshahi
Varamin	Piranshahr	Malekan	Shaft	Sahneh
Sonqor	Mobarakeh	Farouj	Hourand	Some'esara
Roudbar Jonoub	Roudsar	Khavaf	Bileh Savar	
Khalkhal	Bojnourd	Nikshahr	Estehban	
Lanjan	Poldokhtar	Asadabad	Qasre Shirin	
Delfan	Bakharz	Aliabad	Bavi	





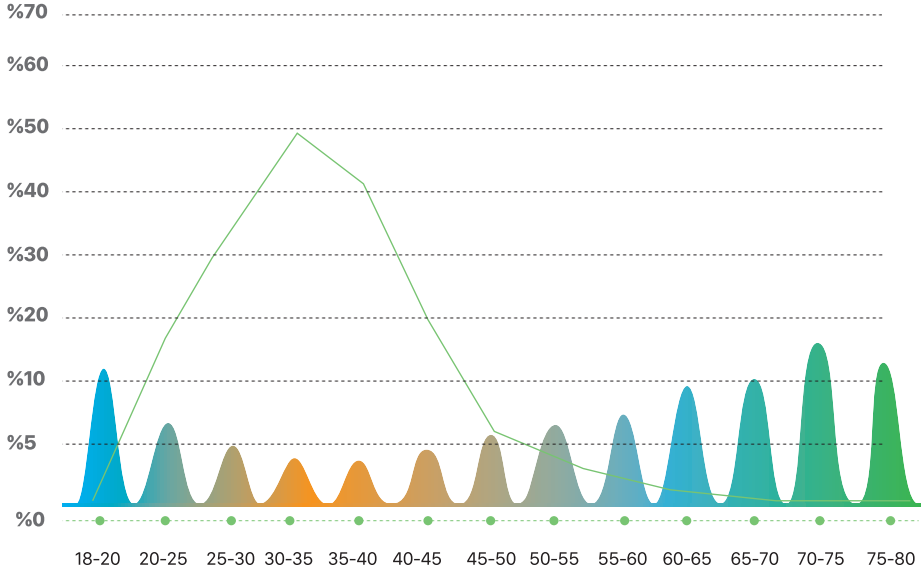
Provinces of Best Repayers

The provinces of Qazvin, Sistan & Balouchestan, and Alborz have demonstrated exceptional repayment behavior, making them the top-performing provinces. The report provides further information on other provinces with consistent repayment behavior.

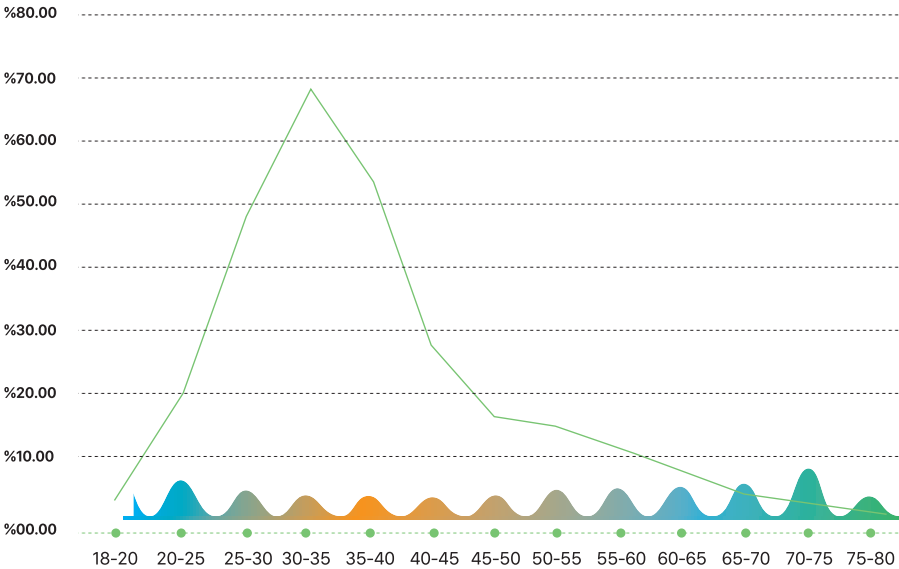
Middle-aged Users Exhibit the Best Repayment Behavior!

The graphs below show the breakdown of received credit facilities and overdue repayment percentages by users' age groups. Interestingly, users between 30 to 50 years of age constitute the largest group of recipients, while simultaneously exhibiting the lowest overdue repayment rates.

Overdue repayment of instalment purchase by age groups



Overdue repayment of BNPL credits by age groups





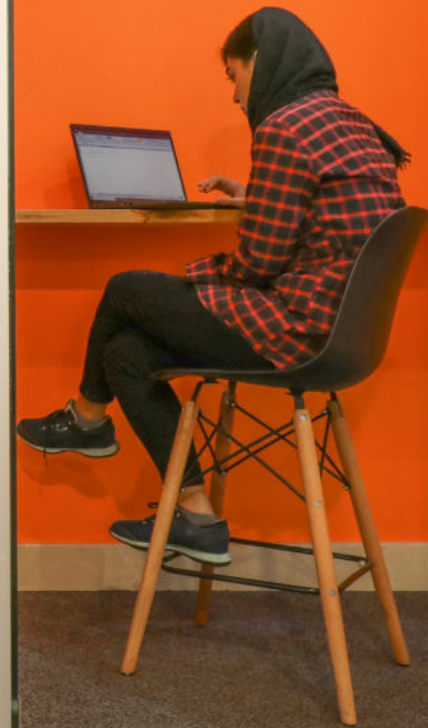
Bisotun

Kermanshah

520 BC

The world's largest inscription, and the first known Iranian text.

UNESCO World Heritage

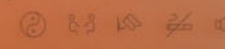


Ziggurat

Susa

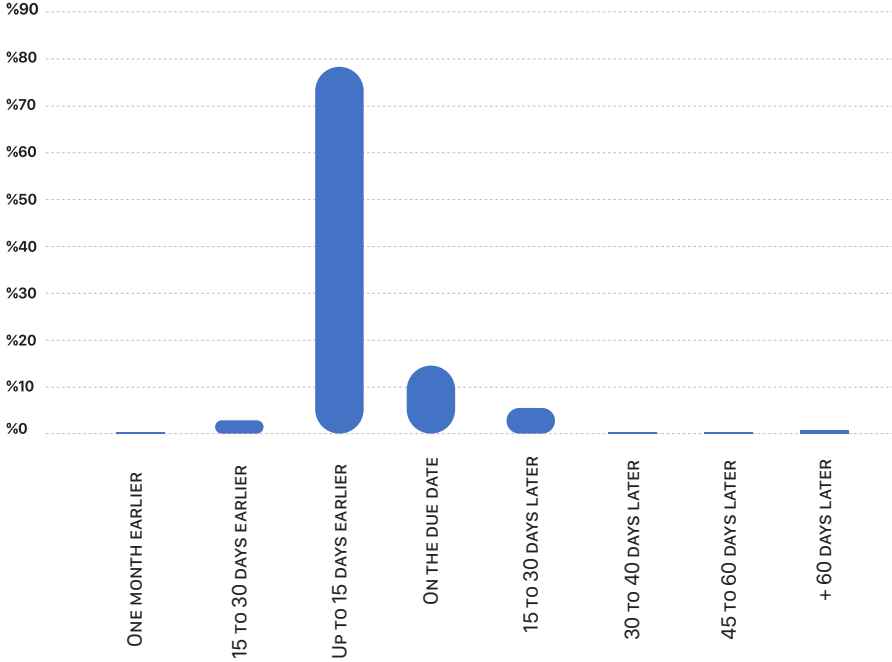
Built about 1250 BC

"The first religious building in Iran"
UNESCO World Heritage

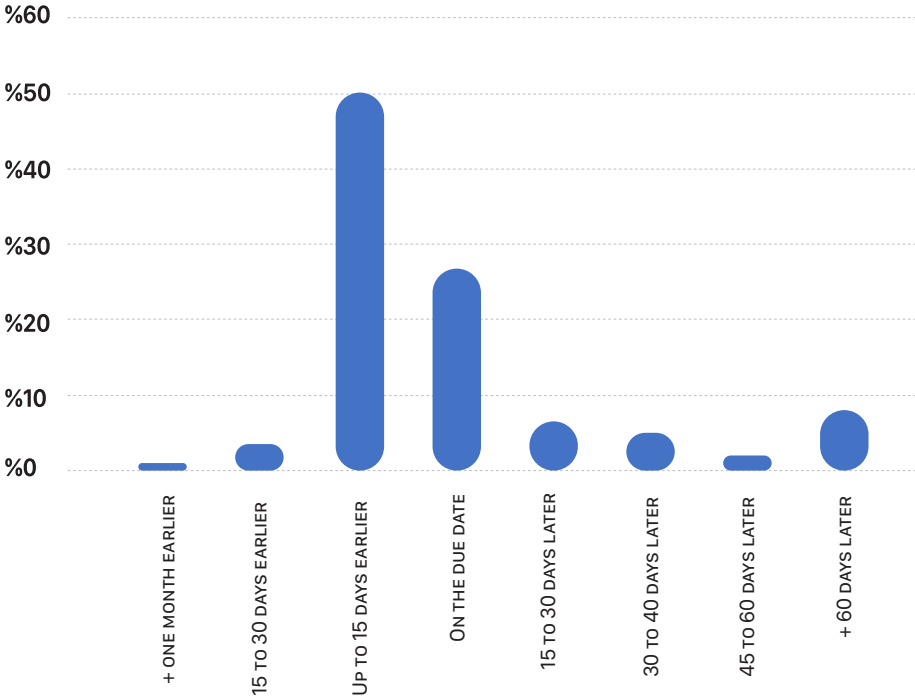


Prayer time: 12-14pm

Users' Repayment Behaviours

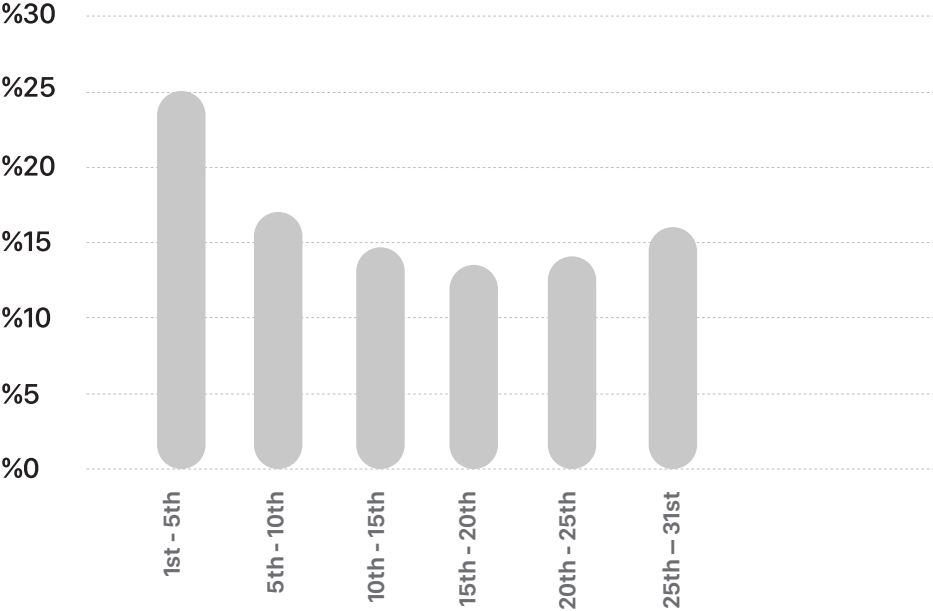


BNPL credit repayments

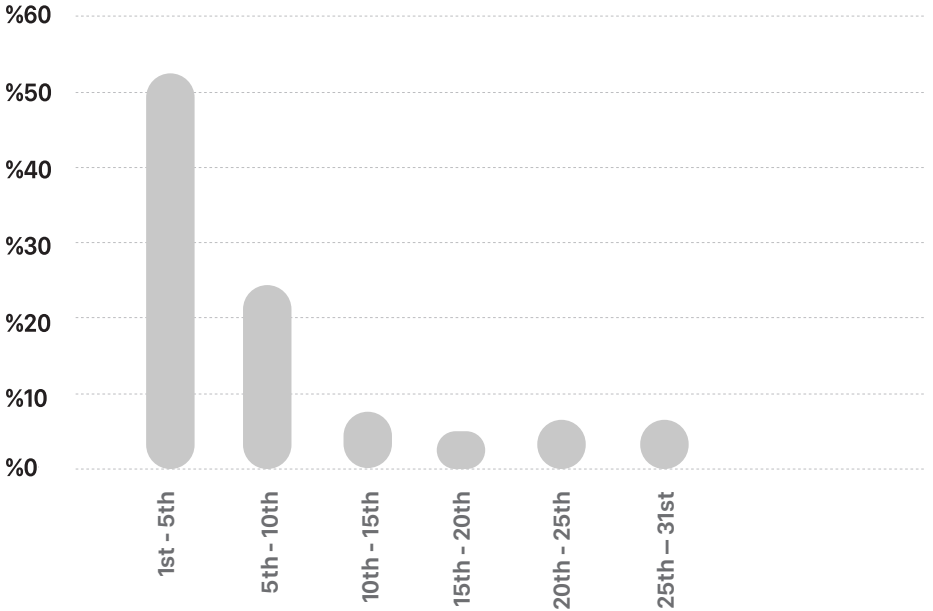


Instalment credit repayments

Repayment by Days of the Month

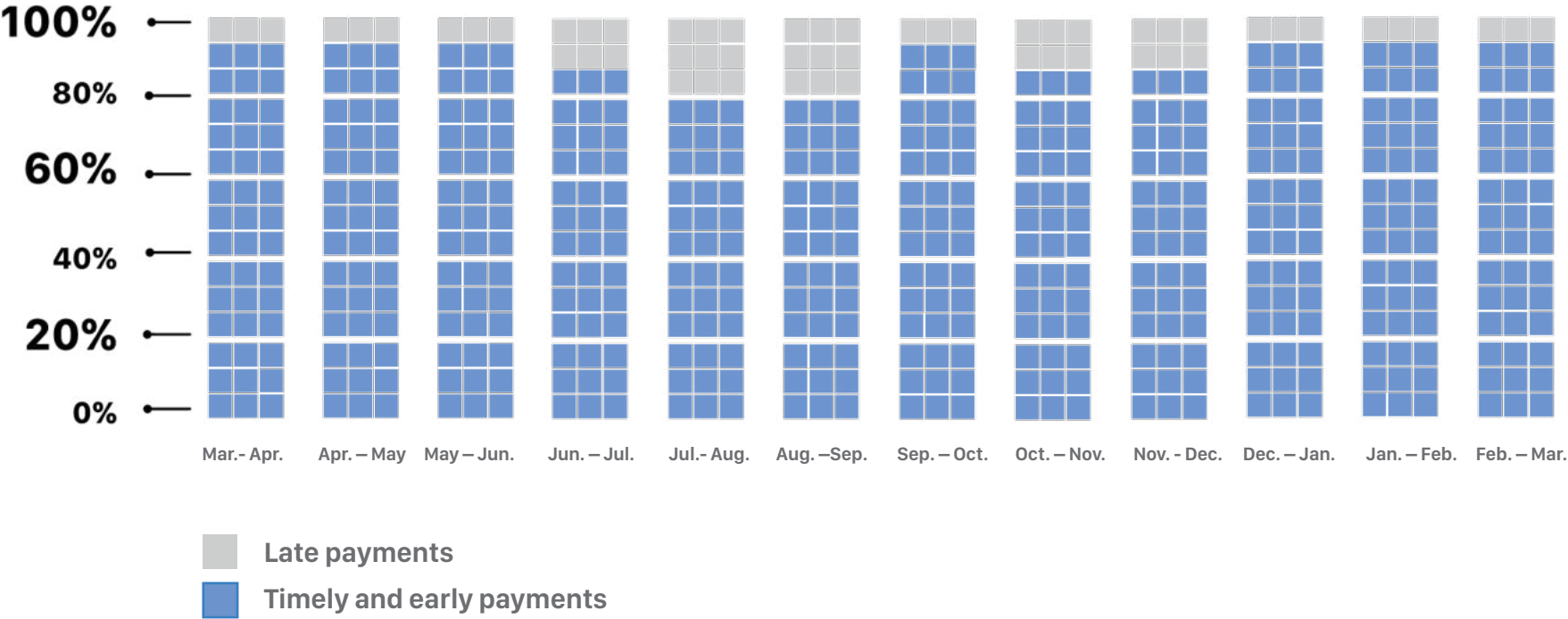


Instalment purchase

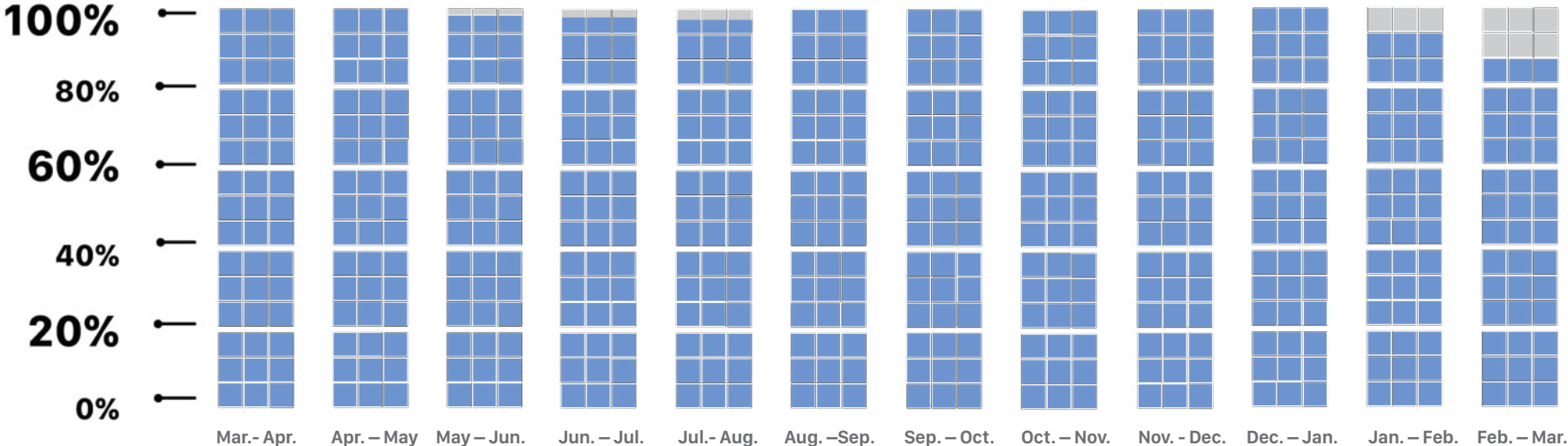


BNPL credits

Repayment of Instalment Purchase Credits by Months of the Year



BNPL Monthly Repayments



Late payments
 Timely and early payments

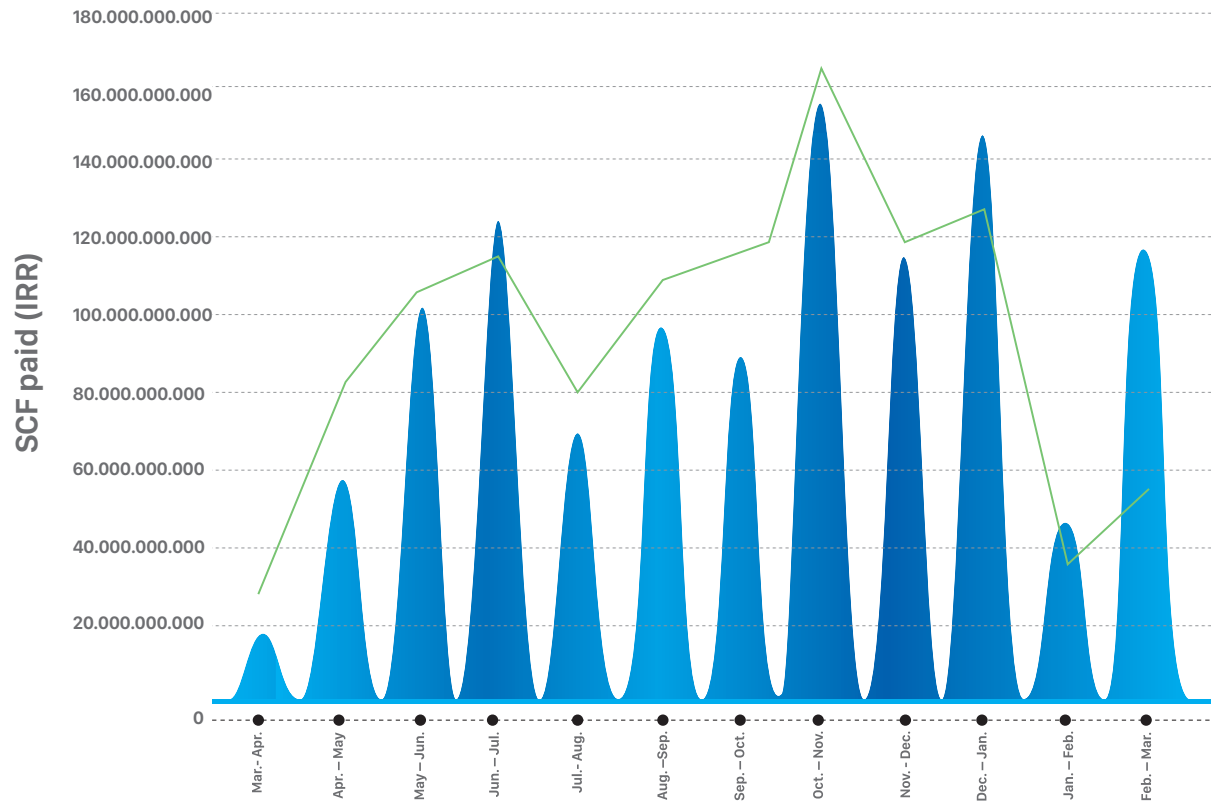
SUPPLY CHAIN FINANCE (SCF)

Digipay Annual Report

SCF in 2022-23

In order to fuel economic growth and promote digital economy, it is crucial to ensure that small and medium enterprises - the key players in the supply chain - have timely access to capital funds. Supply chain finance (SCF) is a creative solution in the e-commerce ecosystem that provides marketplace sellers and suppliers with quicker access to their working capital, thereby

enhancing entrepreneurship, flexibility, and efficiency in the supply chain. In line with this objective, Digipay has focused on SCF in 2022-23 and has successfully accelerated the circulation of working capital for numerous sellers and suppliers on Digikala.



SCF receivers
+ 3000

SCF paid
+2.75 million USD
(+1100 billion IRR)

E-Payment Solutions:

Digipay Unified Payment Gateway (UPG) and E-Wallet Services in 23-2022

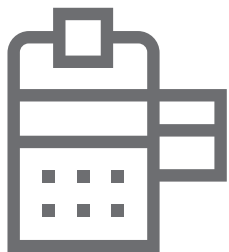
UPG

Digipay's UPG is a comprehensive solution that includes Smart Internet Payment Gateway (Smart IPG), Bank Payment Gateway (BPG), Card Payment Gateway (CPG), and E-Wallet services. This innovative solution was launched in 2022-23 to provide users with higher security for their payment transactions.

When using any payment service of the solution, UPG implementation takes place simultaneously at the moment of the transaction, with minimal modifications required from the recipient. The key merits of Digipay UPG include:

Main merits of Digipay UPG

- Multiple payment gateways integration for a single service
- Refund option for users cancelling their orders
- Easy service implementation for the recipient
- High service quality due to partnerships with the nation's top PSPs
- Provision of payment gateway terminal within a single day



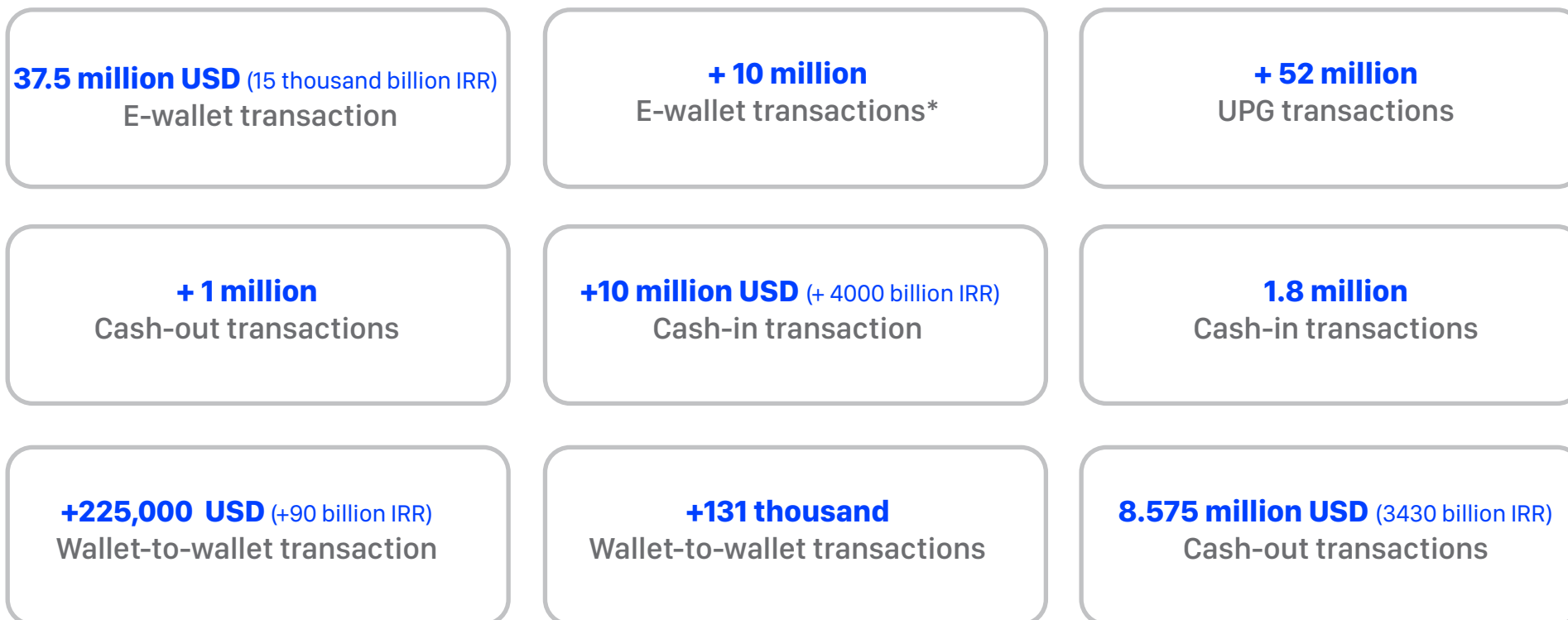
E-Wallet

In 2022-23, Digipay also unveiled an enhanced version of its e-wallet product with new features, including:



- Customization with minimal implementation requirements
- Refund and Instalment purchase options
- Multiplatform capability for accounts of agent banks (e-wallet service)
- «Multi-wallet» feature that enables the user to have different types of cash, credit, and gift wallets
- Customer support levels in proportion to the user's KYC record
- Usability outside Digikala network
- Higher security and compliance with the National Fee Regulations
- User financial incentives and easier tracking of transactions
- Faster and cheaper money transfer
- More generous maximum for e-wallet deposits and withdrawals
- Digipay's UPG and e-wallet services are aimed at providing users with a seamless, secure, and convenient payment experience.

UPG and E-Wallet



* Close to 20 percent of transactions have been via wallet service

CREDIT SCORING AND KYC

Digipay Annual Report

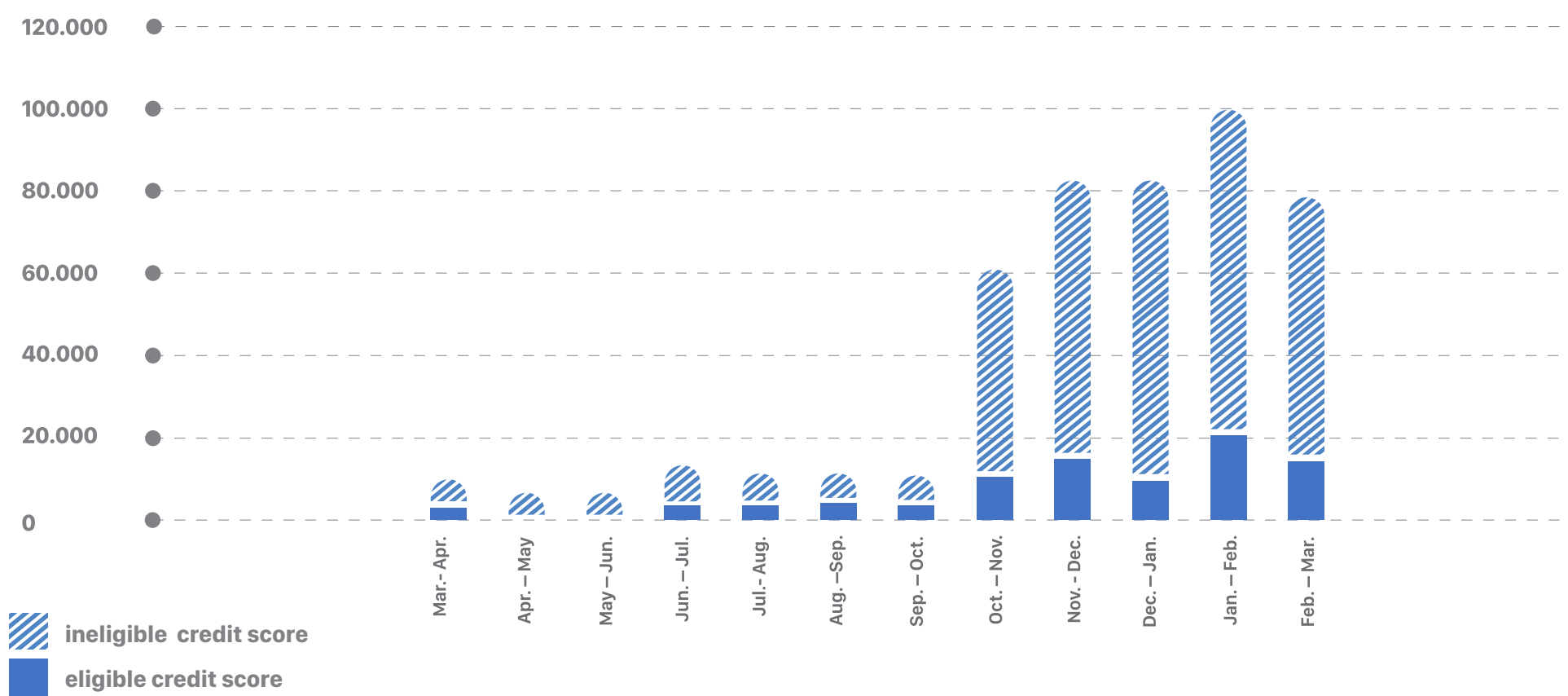
Credit scoring is an important step in the credit and Instalment purchase application process. Applicants are required to complete this stage, and those who score as eligible are allowed to apply for credit services.

115,619 Completed credit scorings

90,389 applicants in process of instalment purchase

538,540 Completed credit scoring processes

25,230 applicants in "purchase" stage of BNPL process



WEALTH MANAGEMENT AND INSURTECH

Digipay Annual Report

Wealth Management

Digipay launched its wealth management service in September 2022, in collaboration with Farabi Financial Group, to offer micro-investment opportunities to super app users. Initially, the service provided plans for capital markets, including a fixed-income fund (Exir Dovom) and a stock fund (Exir Aval), catering to different risk and need levels. The service is designed to align with the overall Digikala Group policy, focusing on

marketplace investment, and offers a wide range of customization options and smart advisory services to meet the investment requirements of almost any customer. In the first six months since its test launch, the service has achieved significant milestones.

25,474
advisory requests filed

70,161
applicants

14,980+
Transactions

29,030
users of risk assessment
service

667
advisory cases in portfolio
management

Insurtech

In 2022-23, Digipay expanded its services to include Insurtech solutions, with the goal of creating value and offering peace of mind to insurance stakeholders. The focus was on designing and launching products that would be accessible to a wide range of people, particularly the middle class, who are the primary users of insurance. Until then, only the elite class of society had access to comprehensive and reliable insurance packages powered by smart services. Despite this, research has shown that many users view insurance as a useless expense that provides no trustworthy guarantees, expressing some degree of reluctance towards

terms such as «insurance» and «insurance policy.»

On the other hand, there are other stakeholders in the insurance industry, such as insurance companies and agents, who have their own legitimate concerns regarding cash flow, portfolio profitability, loss ratio, and fair access to online insurance markets, particularly for digital citizens. By tapping into existing know-how, technology, and well-researched business models, Digipay plays a crucial role in strengthening the value cycle of the insurance industry, and thus in creating better value across the insurance market. The Electronics and Digital Equipment Insurance, offered to Digikala users, and the Instalment Purchase Credit Insurance, available to Digipay instalment purchasers, were two highly popular Insurtech products in 2022-23.

123,069
Insurance policies issued

150,000 USD (60 billion IRR)
Insurance underwritten.

CUSTOMER SERVICE AND OPERATION CENTER

Digipay Annual Report

Customer Service and Operations Center social media:

In 2022-23, Digipay's customer support and operation center faced several challenges, including frequent internet failures that made online support difficult and an influx of new demands due to the launch of multiple Digipay services. These factors led to a sharp increase in the number of incoming calls and inquiries. However, our dedicated customer support team worked tirelessly to expand our call-taking capacity, providing round-the-clock support from 8 am to 24, seven days a week throughout the year. Despite the challenges, we remained committed to providing our customers with the best possible service and support.

4.2 of 5
Average user score assigned to customer support service*

+ 500 thousand
Call-ins

2 minutes and 14 seconds
Average user call wait

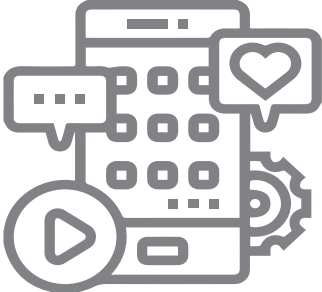
+ 400 thousand
Online chats and messages

* The score doesn't represent the entire Digipay users' population

In 2022-23, domestic social media network has seen word "Digipay" circulate over 90 thousand times – 300 times as many as in 2021-22. Furthermore, Digipay online support team have replied 100% of direct queries on Twitter and covered 37% of tweets containing word "Digipay"**.

2,321,955 Impressions across Digipay's official social media accounts

+ 9000 Digipay news & content items on social media



** A significant number of tweets containing the word "Digipay" have been in the contents other than queries, complaints, and customer support. population

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Digipay Annual Report



Raising capital from Bank Tejarat

Digipay also attended the 9th Exhibition on E-banking and Digital Transformation on February 20 and 21, 2022, which was held at the initiative of the Iranian Central Bank. Other payment and banking players attended the event, which was a forum for discussing and exchanging views on e-payment methods. The event provided Digipay with an opportunity to interact with industry players and learn about customers' needs and requirements.

Digipay Academy

Digipay Academy was established in May 2022 as part of the company's corporate social responsibility efforts. The goal of the academy is to attract young fintech talent and provide them with fintech and finance education, as well as hold bootcamps and specialized forums covering topics such as fintech behavioral skills, quant analysis, Java programming, business development mid-term courses, DevOps software development, test engineering, financial systems, and front-end programming, totaling 12,300 man-hours. The academy's senior experts, who possess valuable theoretical and practical experience, serve as instructors. Trainees who passed the assessments and tests were offered employment opportunities at Digipay.

Digipay also attended the 9th Exhibition on E-banking and Digital Transformation on February 20 and 21, 2022, which was held at the initiative of the Iranian Central Bank. Other payment and banking players attended the event, which was a forum for discussing and exchanging views on e-payment methods. The event provided Digipay with an opportunity to interact with industry players and learn about customers' needs and requirements.



Raising capital from Bank Tejarat

In October 2022, Digipay secured one of the biggest Lendtech investments ever by selling 20% of its shares to Bank Tejarat through the bank's subsidiary, Techno Tejarat. The investment is aimed at creating credit lines for organizational users and leveraging the technical and intellectual capacities of startups, as well as the financial and practical capacities of banks, to develop innovative Fintech services. The partnership is also expected to contribute to achieving nationwide digital banking and promoting financial inclusion.



Partnership with Bank Mellat

Another significant development in Digipay's growth was the official partnership with Bank Mellat in July 2022, which raised finance to offer instalment purchase services to users. This partnership is strategically important in terms of closer interaction with the national banking system and taking advantage of Fintech and Lendtech in the national economy to promote financial inclusion.

Finup Event on BNPL and Financial Inclusion In August 2022

Digipay sponsored the 17th edition of the Finup event which focused on Buy Now Pay Later (BNPL) and Financial Inclusion. The event aimed to promote interaction and synergy among players in the emerging Lendtech industry, with a focus on reinforcing the role of BNPL in achieving greater financial inclusion. Digipay shared valuable information and resources on the topic, including the global status of BNPL and models that are well-suited for Iranian users.



Iranian Transaction Exhibition

In December 2022, the 8th edition of the Iranian Transaction Exhibition was held, featuring a variety of specialized panels. Digipay, along with other Lendtech and Fintech players, attended two of these panels: «BNPL Mechanisms» and «Supply Chain Finance (SCF).» The panels provided a platform for sharing views and experiences on these topics.

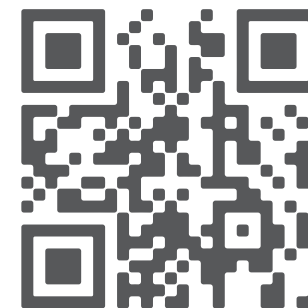


7,425,000 USD (2970 Billion IRR) Monthly Record on Instalment Purchase!

In February 2023, Digipay broke a monthly record in credit purchase with a staggering amount of 2970 billion IRR. This impressive achievement is only 330 billion IRR short of the entire instalment purchase value for the year 2020.



As part of Digipay's corporate social responsibility, the company outsourced some of the print expenses for its annual report to the Women and Youth Entrepreneurial Development Fund (WYEDF). WYEDF is a non-governmental and non-profit fund established in 2005 to support business development and organization among youth and local NGOs, with a focus on underdeveloped areas such as Sistan & Baluchestan, Khuzestan, and South Khorasan. If you find this report helpful, you may wish to donate to WYEDF by scanning the following QR code.



CONCLUSION

We are proud to present the 3rd edition of the Digipay Annual Report, which highlights the challenges and successes of the past year. Despite the difficulties faced by the business economy, particularly the digital business ecosystem, we remained transparent throughout, prioritizing the trust of our audience.

The year 2022-23 was full of valuable lessons, and we were able to overcome each crisis by understanding the situation, employing the right strategies, and maintaining constant communication with our colleagues and audience. Our tireless efforts paid off, and we were able to achieve most of our plans and goals.

However, we recognize that there is still much work to be done to achieve our strategic objectives. With our dedicated team of experts, we are confident that these ambitious goals are within our reach. Thank you for your continued support, and we look forward to another successful year.



No. 2, Third floor, Saba Gharbi Boulevard, Nelson Mandela Boulevard, Tehran-Iran

www.mydigipay.com