



**2024**

# Morocco Startup Ecosystem Report

Feb 2024

In his latest article, The Realistic Optimist said, “We get it, Africa has potential...”

As moroccans the real question is: “Does Morocco ?” Well, we’ll spare you the suspense; it has to !!

Morocco today, as a whole, has shown some efforts in developing its startup/technology economy with the appearance of some early-stage VCs and some interesting startup profiles. However, are we there yet ? No, we’re not.

Regardless, what we know for sure is that the short and mid-term, both local 🇲🇦 and continental, social, demographical, and economical challenges to overcome are huge. An important leapfrog is needed at all levels. Economic development needs to be disrupted, and “innovation and entrepreneurship are the only way.”

So, dear reader, whether you are an investor, foreign or local, a regulator, an entrepreneur, or a wannabe entrepreneur, while reading this report, you will notice that the following numbers, stats, and insights are not at the American or European ecosystem level.

Keep in mind Morocco has to have the potential to solve its development puzzle reaching new heights in Africa first and worldwide afterwards.

This report was conducted by five Moroccans committed to contributing to the development of Morocco's ecosystem. The first step towards this goal is to provide data for a more transparent ecosystem.

The work was carried out in three major steps:

firstly, gathering insights from ecosystem professionals, secondly, collecting data from both formal and informal sources; and finally, creating a dataset that most accurately reflects the realities of the year 2023.

We extend our gratitude to our respective networks for their collaboration.

Disclaimer: Although every effort has been made to provide complete and accurate information, we make no warranties, express or implied, to the accuracy of content in this report.



Lotf Belych



Yassin EL HARDOUZ



Ahmed Mougou

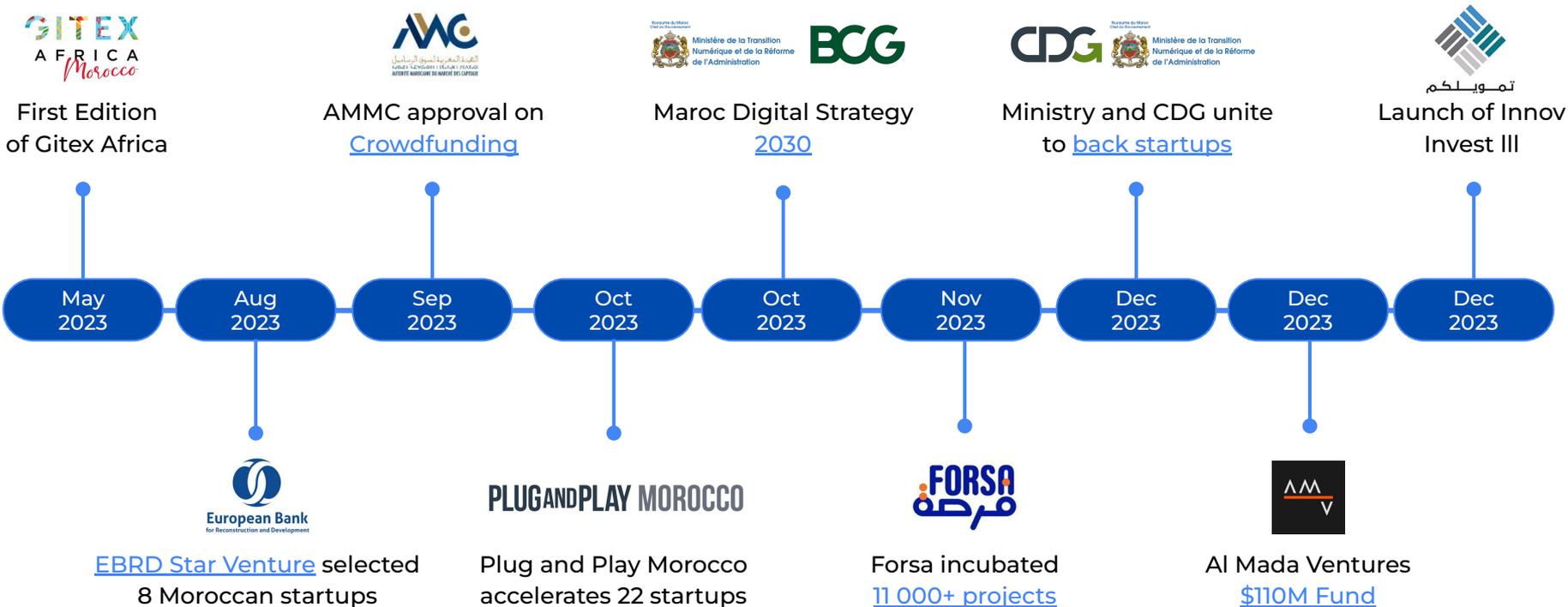


Anouar Essakhi



Mohamed Zemmourine

# Milestones 2023: Key Initiatives, Funding, and Collaborations Driving Innovation in Morocco.





**Sarina Amini**

Program Manager - Plug and Play  
Tech Center

**PLUGANDPLAY**

## “Public sector and industry leaders must embrace local tech for a thriving ecosystem.

In 2023, African funding trends shifted with a decline in activity, favoring larger markets and adopting a risk-averse post-COVID stance. Despite this, Retail, Fintech, and Logistics sectors thrived, buoyed by government support and tech-driven regulatory changes. Efforts to digitize the retail sector in Morocco signal potential funding increases for B2B SaaS models. While overall African funding decreased, specific sectors like Retail, Fintech, and Climate Tech are expected to attract continued investment, primarily from local sources.

Challenges persist in Fintech adoption in Morocco due to a restrictive legal framework. The country's demographic profile and limited collaboration between the public sector, industrial leaders, and local startups hinder scaling and foreign investment. Building a vibrant tech ecosystem requires increased collaboration, providing an environment where entrepreneurs can thrive instead of facing constant cash flow challenges and conversion hurdles.



**Imane Bennis**

Advisor/Investor - 212 Founders



## “Funding is driven by regional and international funding agencies”

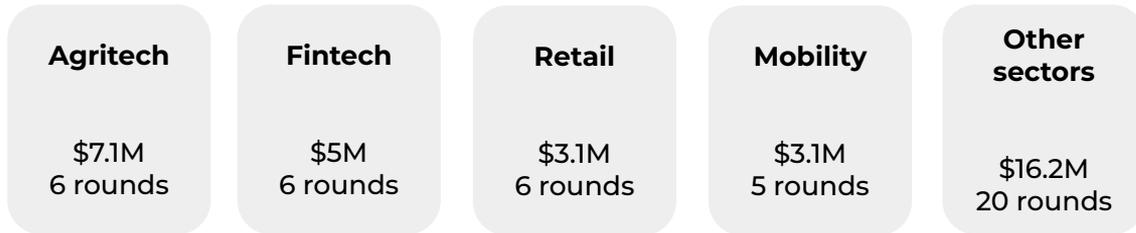
212 founders aligns with Plug and Play's vision, particularly within the fintech sector, as demonstrated by the fund's recent investments focused toward this area. The startups selected for the batch belong to the deep tech, fintech, and agritech sectors, reflecting the incubator's interest in these future-oriented subjects. Looking ahead to 2024, fintech remains a significant focus. Specifically, there is a drive to deepen the fintech market, with necessary regional catch-up efforts. Currently, the foremost challenge in Africa concerns financial inclusion, with several African players, particularly in sub-Saharan Africa, leading the way by investing in startups and accelerating their growth.

Investment is also driven by SDG objectives and funding agencies such as the World Bank, and development banks. Money is flowing from those investment entities, tasked with achieving development goals including green economy and financial inclusion. Ultimately, investment in Morocco will be supported by national investment to encourage the ecosystem despite the reduction of foreign investments, as ultimately, means are available to support locally.

# Morocco Sees VC Deal-count Surge by 65% in 2023 Despite Stagnant Funding Levels.



## 2023 Funding by Sector



\*Of which 11 deals have undisclosed amounts and 9 deals are confidential



In 2023, Morocco's startup landscape has shown remarkable vigor, a trend we see persisting into 2024. We're witnessing a diversification beyond fintech, with agritech and greentech startups gaining traction in Africa, driven by urgent environmental challenges and the continent's vast agricultural potential. There's a notable upsurge in African talent, pivotal for startups as they navigate local and regional challenges, and increasingly, these startups are crafting solutions with a global market in mind."

**Yassine Laghzioui**

CEO - UM6P Ventures





**Hiba Mrani Alaoui**

Managing Partner - Witamax



“ **Funding is not the issue; access to the market and talent are the main challenges.** ”

While global startup funding dipped in 2023, Morocco's scene bucked the trend, experiencing increased liquidity and sophistication. Funding multiplied sevenfold from 2018 to 2022, reaching nearly \$30 million. Despite this dip, Morocco stands out. With less than ten local venture capital players, the country stabilizes early-stage momentum, unlike Tunisia and Senegal which saw funding plummet. Diaspora startups add allure, attracting top global VC funds and prompting local players to expand their support strategies internationally.

Public and private initiatives are ramping up in 2024, offering impact-oriented tools and attracting larger investments. However, market access and talent remain primary hurdles. Streamlining legal and fiscal policies, particularly in Fintech, and fostering successful exits are crucial. Collaboration among stakeholders is key to writing Morocco's startup success story, with high hopes pinned on the Tamwilcom and MVI funds.

# Moroccan startups raising \$1M+ rounds reached new all time high in 2023.



Less than \$0.5M



Between \$0.5M and \$1.0M



More than \$1.0M

9 confidential deals were not included in this distribution



**Ghita Zniber**

Partner · Kalys Ventures



## “ 2023 was a year of 'purification' and adaptation for the Moroccan startup ecosystem

While Moroccan startups showed improved quality, scalability, and international vision in 2023, a significant valuation gap with more mature markets remains a challenge. Investors seek balanced valuations considering local realities, leading to some reluctance from international funds. Funding availability is present, but uneven: Historical funds still have capital, new players like Al Mada VC emerged, and the Mohammed VI fund promises future support. However, early-stage funds are crucial, and investor concentration limits access. Openness to other markets could help align expectations with investors.

Tough times force resilience and innovation: The African startup closures affected local and international investors, pushing Moroccan startups towards profitability and viable business models. Many are resilient, but some need to consider exits to avoid losing value.

International reach expands: Openness to foreign investments and collaborations with foreign VC firms are increasing Moroccan startups' global presence. Additionally, participation in programs like VISA and Gates Foundation expands their reach.

# Foreign investor's appetite in Morocco has increased...

Investment funds and Accelerators who participated in 2023 funding rounds in Morocco - by source of funds

## Europe



## Morocco



## Africa



## Asia



## USA





**Meryem Mahfoud**

Partner · INSKIP Entrepreneurs



## “ 2024: The Year of Decisive Actions for Morocco's Tech Ecosystem's Growth

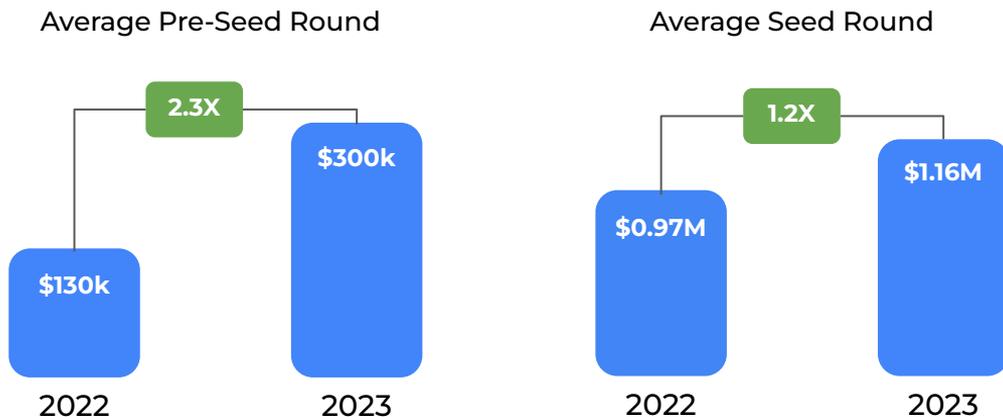
2023 was decisive in raising awareness of the obstacles to the growth of the startup ecosystem: support, funding, regulations.

2024 marks the year of executing strategic measures to tackle these issues by key ecosystem stakeholders: new support and funding programs are emerging, work on regulations has begun, and national and international institutions are committing themselves to support the ecosystem.

2024 is the year of decisive actions: both public and private, that must proceed in harmony and close partnership. For us, velocity will be key to ensuring their success. INSKIP's goal for this year: to help all players execute these measures and actions, with excellence and consistency, favorable to the blossoming of the Moroccan technological scene.

## A sign of the ecosystem growing up: the average size of a pre-seed and seed round is increasing, getting closer to the more mature tech ecosystems in Africa.

The evolution of the average Pre-seed and Seed round in Morocco.



The Moroccan ecosystem is at an inflection point, and the best is yet to come. We will witness the rise of more successful Moroccan startups. Morocco is already the fifth African country in terms of VC funding and will keep attracting investors thanks to the hard work of amazing founders. Many opportunities are still to be seized, and the size of the Moroccan market will let the creation of many unicorns to come.

**Ismael Belkhayat**

Founder & CEO - Chari





**Otman Harrak**

General Manager - Sand Technologies



## “ Feeding Morocco's Innovation Engine: ALX Ventures Aims to Empower 2,000 Entrepreneurs

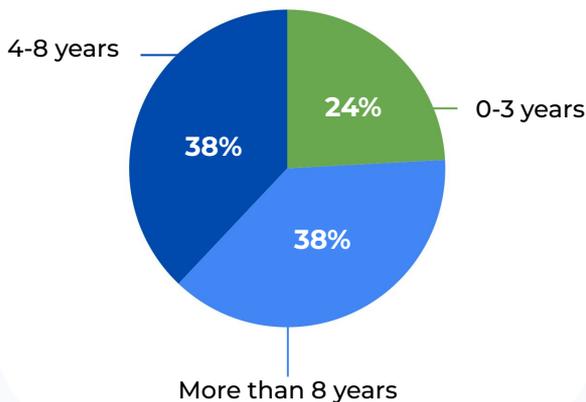
In 2023, Morocco's startup ecosystem - led by its fintech and logistic champions - stands out as a noteworthy and rapidly growing hub for innovation in Africa with an exceptional year-on-year growth in venture capital deals and total funding : a great signal for its strength and resilience. In the midst of this dynamic landscape, a transformative player is set to make its debut — ALX Ventures. Positioned as a revolutionary force in entrepreneurship, ALX Ventures is gearing up to boost Morocco's startup players in 2024. Launching this year, ALX Ventures strategically aligns with the thriving atmosphere, marking its entry with a commitment to catalyzing innovation and fostering a new wave of entrepreneurs.

Crucially, ALX Ventures builds on the successful legacy of its predecessor, ALX Morocco, which played a pivotal role in training thousands of tech talents in 2023. This strategic foundation positions ALX Ventures to seamlessly feed Morocco's burgeoning startup scene. Despite being in its inaugural year, ALX Ventures has ambitious plans to train and empower more than 2000 entrepreneurs, contributing significantly to Morocco's prominence on the global innovation stage and solidifying its position as a key player in the evolving regional startup landscape.

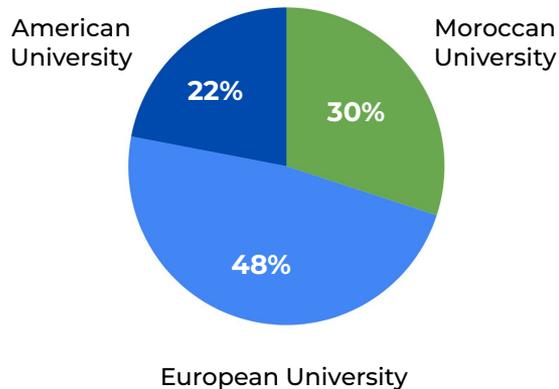
# What does it take to get funded in Morocco?

## Analysis on Founding CEOs who raised investment in 2023.

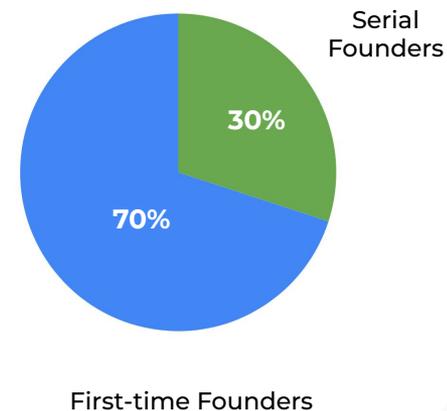
Years of Experience\*  
(Average : 7 years)



Place of Graduation\*\*



Founding Experience



Analysis based on 30 founders. Only founders holding the CEO role are included.

\* Computed as years difference between the graduation and the startup launch.

\*\* If a founder double- graduated from a French and a Moroccan university, he/she will be counted in European university section.



## Sidi Mohammed Zakraoui

Partner - EmergingTech Ventures

EMTECH VC

“The year 2024 is shaping up to be a key momentum for the Moroccan ecosystem.

As 2024 promises to be a pivotal year for the Moroccan startup ecosystem, the focus shifts to securing later-stage funding through attracting international investors for both VC funds and high-performing startups. The launch of the Mohammed VI Fund signifies a major step forward, offering new financing options for the ecosystem. This year will also see Moroccan startups asserting regional leadership as they compete with international players, while we anticipate stronger contributions from diaspora founders with transformative ideas and technologies.

Notably, startups will prioritize VC partners who go beyond financing, providing crucial support on their journey to become sustainable scale-ups. This confluence of factors sets the stage for a dynamic and exciting year for Morocco's burgeoning startup scene. Overall, 2023 laid the foundation for a pivotal 2024 in the Moroccan startup ecosystem, with a focus on attracting investment, fostering deeptech ventures, and asserting regional leadership. Emtech Venture Partners remains committed to supporting promising startups that address core issues and have the potential to achieve regional and international significance.

# Diving Deep into Diversity: Exploring The Presence of Women.

Representation of female founders who raised investment in 2023

**6%**



**Female-Only  
Founding Team**

**12%**



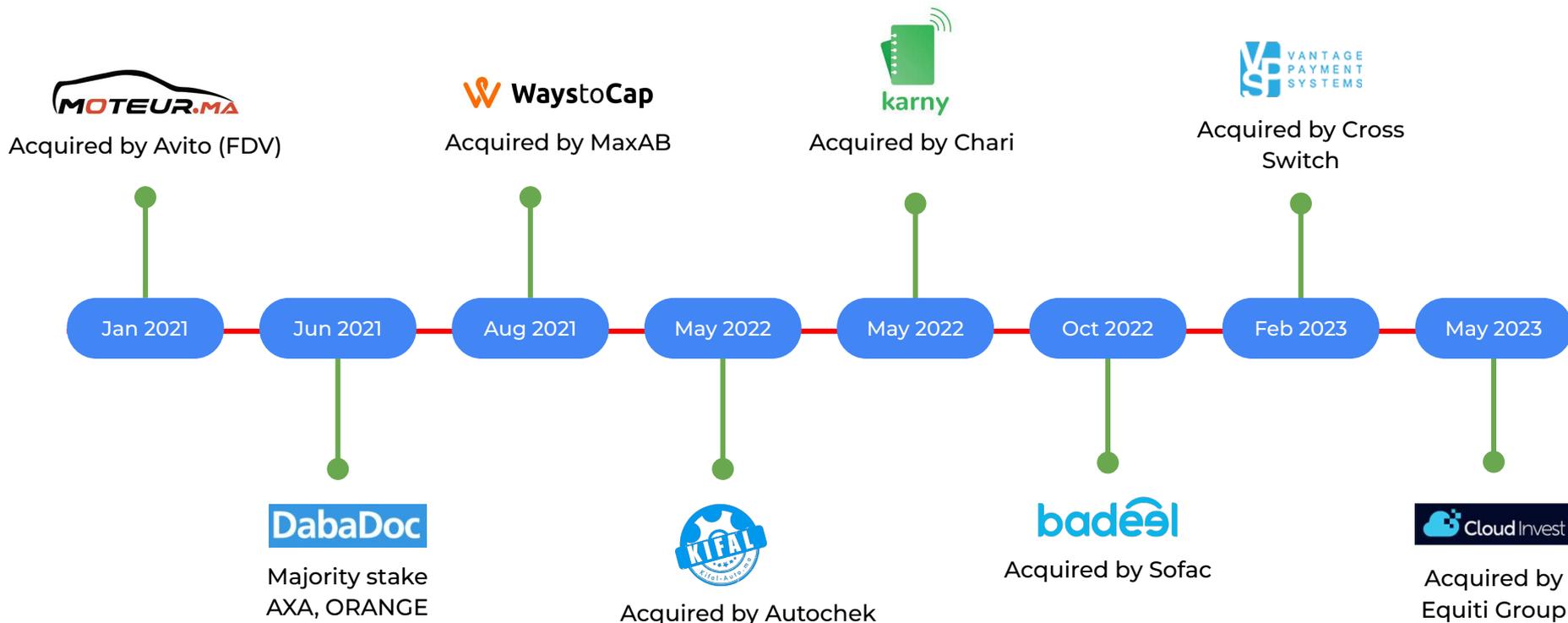
**Team With a Female  
CEO**

**15%**



**Gender-Diverse  
Founding Team**

# Moroccan startup exits: 5 acquisitions in the ecosystem in the last two years.





## Abdelbasset Mohandis

Certified Public Accountant (CPA)



## “ Legal and fiscal hurdles threaten growth: Morocco's startups need more than incentives

While Morocco's commitment to innovation inspires, legal and fiscal obstacles remain. We, chartered accountants, see the crucial role we play in navigating these complexities. Key legislation like the Business Law and Startups Law remain elusive, hindering administrative ease and investor protection. Startups still battle complex intellectual property laws and contractual uncertainties.

Fiscal incentives offer a glimmer of hope, but eligibility and application intricacies persist.

Understanding investment and funding tax implications, VAT and corporate regulations, and international tax nuances are crucial for survival. A vibrant ecosystem needs more than just incentives. Streamlined regulations, investor-friendly laws, and proactive guidance – that's the recipe for unlocking Morocco's true entrepreneurial potential. We, the financial consultants, stand ready to help startups navigate this dynamic landscape and turn promising ideas into flourishing businesses.

# Moroccan Government and Ecosystem Leaders Must Join Forces to Attract Diaspora-Led Startups.

## Notable Rounds raised by the diaspora in 2023



Said Ouissal



**Zededa** has raised a **\$45.3 million venture round** last december and is targeting a pre-IPO raise that could take place in mid 2024.



Amine Raji



**Spore.Bio** raised **€8 million in Pre-Seed** funding led by LocalGlobe., EmergingTech Ventures, No Label Ventures, Famille C, Better Angle, Mehdi Ghissassi, Roxane Varza...



Nabil Jallouli



**Rollstack** raised a **\$1.8M seed round** to redefine analytics and business reporting.



Mamoun Benkirane



E-commerce platform **MarketLeap** raised **€1.6 million in Seed** round, taking its total funding to €2.6 million. The latest round includes Notion Capital, Kima Ventures and Motier Ventures, existing investor Expon Capital...



I consider startups founded by the Moroccan diaspora an important part of the ecosystem. Both the government and key stakeholders within the ecosystem must collaborate on devising a mechanism that attract the diaspora to Morocco, fostering a more robust and collaborative entrepreneurial environment.

**Khalid Zitouni**

Angel Investor  
Co-chair - Endeavor Morocco



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In one of his famous essays Paul Graham summarizes the essence of startup culture as follows: “If you go to see Silicon Valley, what you'll see are buildings. But it's the people that make it Silicon Valley, not the buildings.” The people, that is talent density is what creates an internationally competitive ecosystem.

The Moroccan ecosystem will produce more success stories as experienced executives from the banking, telco and IT sectors become founders themselves, creating clusters of talent. Tapping into their international networks and expertise they will build must-have solutions with great ROI for their clients.

The talent clustering effects will produce startups in prime position to seize opportunities in fintech infrastructure, climate adaptation, and cybersecurity with founders tapping into talent pools of Moroccan universities and building a global footprint from day one that ensures long term business growth.

Methodology: As we delve into our work, we seek information from reliable public sources while ensuring to reach out to relevant individuals for accurate information. It also involves analyzing information to ensure its quality and relevance.

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Disclaimer : The informations presented in this presentation on the startup ecosystem in Morocco is based on publicly available data and research conducted by the authors. The information provided in this presentation is intended for informational purposes only.