

CEO LETTER

We're putting together this annual report in the middle of 2023, or half a year later than we were planning to. So many things have already changed in that time span, so much has happened—between financials, team composition, features of the platform itself—that it's difficult to put myself in the shoes of someone who's just finished 2022 and has to talk only about things that occurred in that year. And the reason for the delay is of course something that happened at the end of 2022, something that likely makes this annual report interesting to a lot of people.

The thing is, up until the end of October, it was actually a rather quiet year for Mastodon, with a major focus on mobile app experience and onboarding. As it turned out, it came just in time. As our major competitor was set aflame by its new leadership, hundreds of thousands of people flocked to Mastodon, searching up the apps on major app stores and getting set up for the first time. Mastodon's monthly active user numbers rose from 200K

to 2.5M, attracting interest and adoption from journalists, newsrooms, celebrities, and companies like Mozilla, Medium and Flipboard. We are still actively working on improving onboarding, but it's worth mentioning that the improvements compared to the state in 2021 have been monumental.

The explosion in growth put our small company under a lot of stress. In 2022, the only full-time employee of Mastodon was me. That's not to say there weren't other people involved, but writing new features and reviewing code for Mastodon, fixing and scaling infrastructure of mastodon.social, managing the iOS and Android projects, performing all the organizational tasks like paying bills and collecting invoices for accountants, being a liaison for other companies and celebrities who were interested in using Mastodon, and answering questions from the press all came down to me. I tried my best under the circumstances, but I do not look back fondly on the sleepless nights and busy weekends. How I didn't burn out and quit right then and there is a miracle. The temptation was certainly there.

But it's hard to deny that what we're building at Mastodon is unique. And while we're not solving the hard problems of humanity like climate change, aging, or space travel, we are making one area of contemporary human existence a little more bearable. We're creating a space where you can have fun connecting with your friends without being barraged by ads, or being sucked down by addictive algorithms. A new kind of social media that thrives on openness, collaboration and uninhibited creativity.

One that works for you rather than making you work for it. This vision remains unchanged and it is why we continue to work so hard to make this possible for more people around the world.

Luckily, as a consequence of this tumultuous period we received more donations to our non-profit, with many patrons choosing to pledge annually, which provided us with some cushioning for 2023 to ramp up development and try and make the most of the opportunity given to us. This allowed us to begin improving our infrastructure to cope with the demand and for the first time to consider hiring more full-time staff, kicking off a hiring process that extended well into 2023. Because one thing is clear, for Mastodon to be what people want it to be, it is necessary for the organization to grow.

 **Eugen Rochko**
CEO / Founder

FINANCIALS

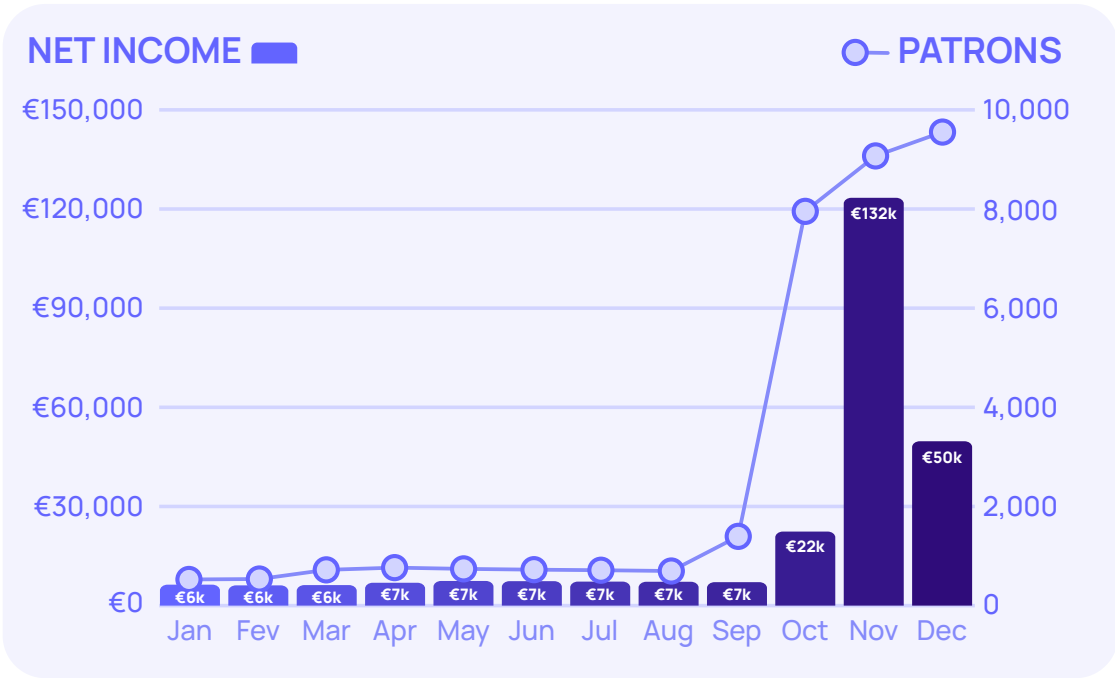
2022 was Mastodon gGmbH's first full fiscal year (FY), as Mastodon gGmbH was founded on April 7, 2021 resulting in FY 2021 lasting only about 9 months.

INCOME

Over the course of 2022, Mastodon gGmbH earned a total of €325.9K in **donations** (+488% from €55.6K in FY 2021). The majority of donations came in the form of annual pledges on Patreon during the month of October, and as such, constituted next year's budget.

As of year-end 2022 our **donor base** grew to 9,603 patrons (+1,614% from 560 donors on year-end 2021) via Patreon and to 53 subscriptions (+165% from 20 subscribers on YE 2021) via our custom sponsorship portal.

From September to October the number of donors on Patreon grew from 1,428 to 7,962, a 6x increase. Similarly the donors via Stripe increased from 19 to 44. This means the **average annual donation** decreased to 34€ (-62% from 90€ in 2021) as a result of a larger relative number of small donations.



€326K
in donations

+488%
compared to 2021

9,603
patrons

34€
average donation

FINANCIALS

COST

The **total operating expenses** amounted to €127.1k (+448% from €23.2k in FY 2021), €79.7k **personnel expenses** (+333% from €18.4k in FY 2021), and €6.4k **miscellaneous other operating expenses** (+33% from €4.8k).

Additionally there were €13.2k non-deductible pre-taxes incurred as Mastodon gGmbH (as a non-profit entity) is currently only entitled to deduct 50% of pre-tax.

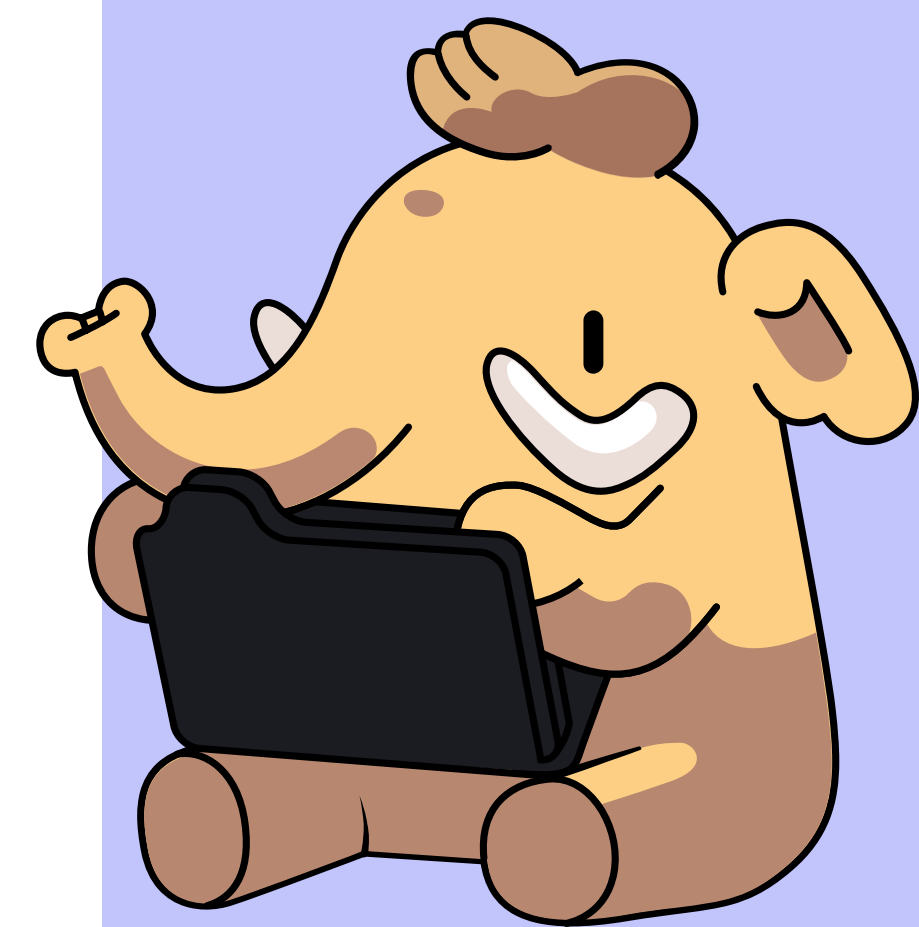
OTHER

In 2022, Prototype Fund, an open-source fund financed by the [German Federal Ministry of Education and Research](#) and the [German Open Knowledge Foundation](#), continued to directly support Eugen Rochko with €18.6k (vs. €2.9k in FY 2021). The funding from Prototype Fund has been completed with no further funding possibilities for Mastodon.

Furthermore, Eugen Rochko and Claire were able to secure a total of €42.8K (82% of the theoretical maximum of € 51. 9K) of funding from NLnet, a non-profit foundation that supports open-source development in the domain of Internet technologies, for development milestones in the areas of groups, multilinguality, content filtering, and moderation.

€127k
total operating expenses

€80k
personnel expenses



BRAND UPDATE

We've updated our brand colors and our logo. The new, vibrant purple color gives Mastodon some original personality and makes it stand out more from competitors, who all predominantly use blue. The shape of the logo is largely the same, but some irregularities have been fixed making it look more precise. The mobile apps, the web app, and the official websites and social media accounts have been updated to reflect the new look. We've also compiled official branding guidelines to ensure that Mastodon is always represented in a professional way by the media and our partners.

[Check this on joinmastodon.org/branding](https://joinmastodon.org/branding)



SOFTWARE DEVELOPMENT

WEB

In 2022 our development efforts were focused primarily on our mobile apps and the onboarding experience, and a number of changes in the backend were made to support new experiences in the apps. At the same time, some of the design improvements in the mobile apps have been adopted back into the web app. To wit, to support the discovery/explore page in the mobile apps, we have implemented APIs for trending posts and trending news in addition to our existing trending hashtags system, and then implemented the explore page in the web app itself. We've also integrated agreement to the server rules as the first step in the web sign-up flow, mirroring mobile app onboarding, thereby increasing the awareness of the rules' existence.

Increasing the transparency and effectiveness of Mastodon's moderation system was another goal. To that effect, we've added notifications for all

moderator actions (such as when a moderator deletes your post) as well as a brand new appeal system that allows such actions to be reversed. We've also made moderator actions more visible to outsiders by publicly showing when a profile has been "limited" (or "quarantined"), something that was previously difficult to detect or troubleshoot. As time goes on, the number of false positives among Mastodon's growing moderator community is bound to go up, so it's more important than ever that mistakes are visible and can be addressed.

At the same time, as Mastodon becomes a more important platform on the web, it also becomes a more lucrative target for spam and bot attacks. Where previously you were only able to suspend accounts on a case by case basis, we've added the ability to quickly suspend all accounts matching specific search queries, such as a matching IP range or e-mail domain. We've also added a webhook system to allow server operators to setup more elaborate automation systems for their moderation needs, and expanded the set of moderation APIs to support it. To top it off, Mastodon's administrative functions are no longer split between 3 hardwired roles; instead, every function is tied to granular permissions that can now be assigned to custom roles.

The new admin dashboard doesn't just look nicer, but surfaces information that server operators were previously unable to get. Like how new users were signing up—through the website, through the official apps, or third-party ones—which languages are most popular on

their server, which other servers make out the bulk of the content the server is processing, and what percentage of people who signed up during a specific month are still active months later ("retention").

We've reworked our web app to support logged out access and made it accessible to the public, replacing the two-interface system we used to have. At the expense of losing server-rendered pages we have drastically reduced confusion caused by people unknowingly landing on the public interface instead of the interactive one and not knowing how to get back (or why you have to click different things to get to the same places). We've also integrated the about and privacy policy pages into the web app, making the whole feel more well-rounded.



SOFTWARE DEVELOPMENT

We significantly improved Mastodon's multilingual abilities. We got rid of automatic language detection which was more often than not very confidently wrong and replaced it with the ability to set your posting language manually, both account-wide, and for each post individually. At the same time, we've added the long awaited translation function that can automatically translate posts into your own language. We've also added an option to opt in and out of specific languages when following another user; so, for example, you could follow one of the European Commission accounts that post updates in many languages, and ensure that your home feed only gets their updates in your mother tongue.

We've also added the long awaited ability to edit posts. It's certainly been a challenge to rearchitect everything that was relying on posts being more or less immutable, but we did it. Turns out that when you implement it with a visible edit history, notify anyone who shared the post that it's been edited, and have an otherwise working moderation system, editing is not a problem at all. People can fix their typos and add corrections and redactions on things that go viral. And this basic function is completely free for everyone!

Besides following other users, you can now also follow hashtags to fill your home feed quickly. On the other end, we've reworked our phrase filtering system. You can now group many keywords and phrases under the same rule and then see why a given post was hidden, like being able to apply content warnings from your own side.

SOFTWARE DEVELOPMENT

IOS

In 2022, we released a total of 9 updates for our official iOS app. In turn, the app has been downloaded over 2M times that year. With 2 new iOS developers and the same design agency we've worked with last year, we have given the app a number of facelifts and new features.

We have put considerable effort into designing an iPad version of the app, though it ended up being only 8% of all installs. We added explore page with trending posts, hashtags and news, to make it easier for people to find interesting things and new accounts to follow.

We added a translate button, hashtag following, and finally added link previews. Originally, both login and sign-up used the same server selection screen. We reworked the login screen to have a different look to avoid confusion, and made the account switching function easier to find.

We added better progress bars on media uploads, and a button to retry on failure. Before, you had to go and find the same picture or video in your photo library and add it again! We also reworked the report dialog to use server-defined rules for categorization.

ANDROID

In 2022, we began the development of an official Android app for Mastodon. The first public version was released on April 13, and over the course of the year, we would release 4 more updates. The app has been installed on over 993K devices that year.

The app achieved feature parity with iOS within the year, and added support for post editing before iOS. Using only Java and including nothing except what was necessary for its function, the app didn't just turn out to be really fast and performant, but also weighs only about 3 MB.

Our GitHub repository for the GPL-3 app has observed 265 changed source files over the course of the year, totalling 35,511 line insertions and 557 line deletions, primarily by our Android developer Gregory Klyushnikov.

GROWTH

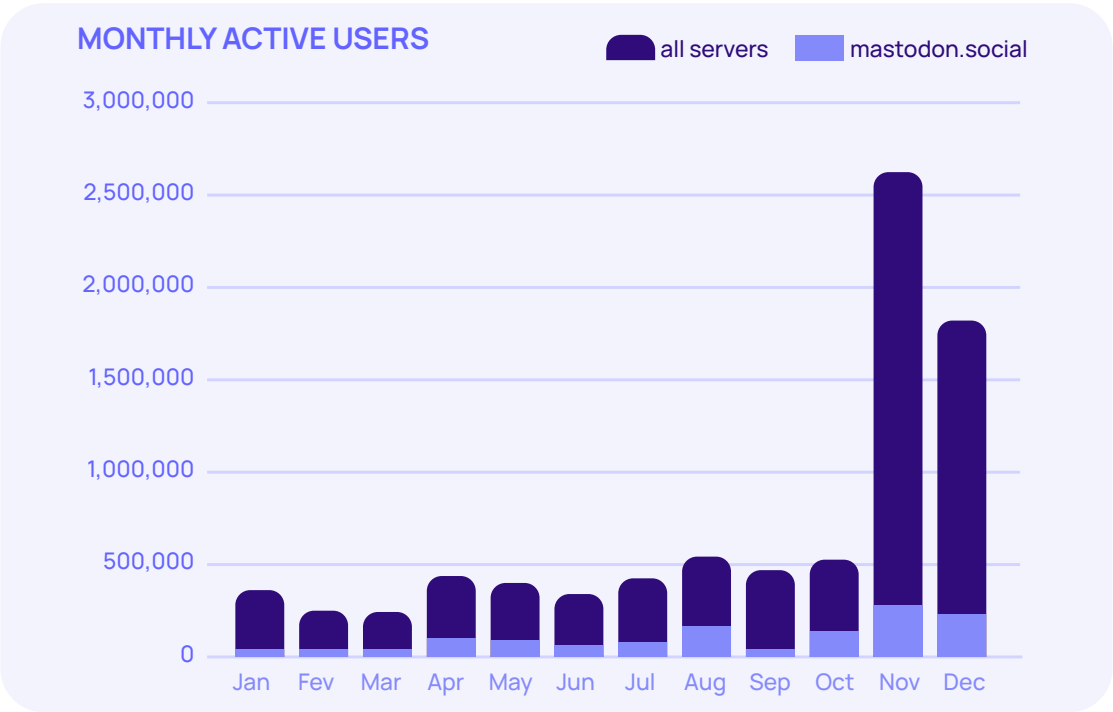
The Mastodon software includes an API endpoint that exposes certain statistics, such as monthly active users on the server, as well as its identification as a Mastodon server and a list of other servers it knows about. We operate an aggregator that crawls servers that identify themselves as running the Mastodon software and periodically collect these public statistics.

Within the Mastodon software, a monthly active user is defined as a user that has accessed Mastodon through the website or its API within the last 30 days. This number may include accounts that were subsequently deleted or suspended, and due to its aggregate nature no guarantees can be made about its mapping to individual people.

On January 1st, 2022, we were aware of 2,527 servers running the Mastodon software, totalling 2.7M registered and 294K monthly active users. At the end of the year, on December 31st 2022, we were aware of 9,686 servers running the Mastodon software, totalling 5.8M registered and 1.8M monthly active users.

Due to the aggregate nature of the statistics, it is not possible to say how much of the increase in monthly active users was from users returning to previously created but dormant accounts and how many were from new users. However, it is possible to use internal statistics available to us on the servers we operate ourselves to get an idea.

From the servers operated by Mastodon gGmbH, mastodon.social had 313K new sign-ups in 2022, growing from 31K monthly active users to 191K. Out of the accounts created in 2022 that have not been deleted or suspended, 117K have been active on or later than December 31, 2022, representing roughly 37% retention.



9,686
servers running Mastodon

5.8M
registered users

1.8M
monthly active users

37%
retention

LEGAL

TRADEMARK

In 2022 we were primarily advised by Frankfurt Kurnit Klein & Selz (FKKS) and Fried Frank. The main legal topic of the year was designing a proper trademark policy for Mastodon. We also filed for trademark registration in the US, Canada, Japan, India and China, in addition to our already registered trademark in the EU.

In an open-source and decentralized ecosystem, the trademark is essentially the only way for us, the developers, to make any assertions or guarantees about our work. With more attention on Mastodon, the name that identifies our software and our community becomes a more interesting target for misuse by bad actors (though even well-meaning actions can result in confusion for end-users, like which other software products or web pages are actually affiliated with us and who can represent the views of the company).

Prior lack of guidance on this matter has resulted in a number of suboptimal situations, for example, we still routinely get support requests for people using the mstdn.social server as it gets confused with our mastodon.social. We now advise potential server operators, that for new servers, they should not use the “Mastodon” mark in their domain names to avoid such confusion.

Working out an adequate trademark policy has not been an easy task, since so many legitimate use cases had to be considered—apps, servers, forks. We did not want to negatively affect any established parts of the ecosystem, though there is a limit to how much it is possible to include in a blanket policy. However, any use not covered by the policy can simply be manually permitted.





LICENCE

We’ve also been made aware of a violation of our AGPL license by a website called helladoge.com, which used Mastodon’s code without making the code available to the public. We invested some resources into drafting and sending a cease & desist letter after the owners failed to respond to two separate attempts to notify them via e-mail.

MODERATION

Mastodon gGmbH is responsible for operating the mastodon.social and mastodon.online servers. Over the course of the year, between these two servers, we gained 486K new users and processed 15,237 reports. 5,920 of the reports resulted in the suspension of a local account (local meaning hosted by one of our servers). Overall, 66,637 local accounts were suspended in 2022.

TEAM

Name	Role	Type	Remuneration	Country
Eugen Rochko	CEO	Payroll	EUR 3000 / m	Germany 
Felix Hlatky	CFO	Freelance	EUR 56 / h	Austria 
Claire	Development Web	Freelance	EUR 90 / h	France 
Nathan Mattes	Development iOS	Freelance	EUR 85 / h	Germany 
Marcus Kida	Development iOS	Freelance	EUR 90 / h	Germany 
Gregory Klyushnikov	Development Android	Freelance	USD 50 / h	Russia 
Lickability Inc.	UX design	Freelance	USD 200 / h	USA 
Dopatwo	Illustration	Pro-bono	-	Brazil 

2023 GOALS

ORGANIZATIONAL

Fill crucial roles in the organization to speed up development and other processes, upgrade some contractors to full-time employees to ensure availability.

Set up a US non-profit branch (501©(3)) with a board of governors to become eligible for larger grants from US-based donors and allow US donors to make their contributions tax-deductible.

Create a line of high quality merchandise to enable the community to more easily promote Mastodon to their friends and co-workers and as an additional way to support the organization.

Establish better communication channels with server operators, app developers, and other fediverse platform developers.

INFRASTRUCTURE

Modernize infrastructure for all services operated by the organization, including mastodon.social and mastodon.online, with the goals of enabling easier/automatic scaling, better monitoring and overall increased quality of service.

DEVELOPMENT

Overhaul search to make it more user-friendly and intuitive and allow people to find both profiles and posts.

Present a default server choice during in-app onboarding on Android and iOS to alleviate paralysis of choice issues, and improve server selection options.

Identify and fix pain points during sign-up and guide users through the first steps of setting up an account like following people and filling in the profile.

Overhaul the user experience of interacting with content from other servers when logged out to make it less confusing.

Improve the visual quality and accessibility of the web, iOS, and Android apps, and add missing functionality from the web interface to the iOS and Android apps.

Switch focus to first-class support for high-availability setups using Kubernetes by developing and maintaining official Helm charts and improving container configuration.

Continue to improve moderation tooling to assist server operators with handling spam and abuse and allow integrating more sophisticated automations using the API and webhooks.

HELP US TO REACH OUR GOALS, DONATE!

We develop and maintain the free and open-source software that powers the social web. There is no capital behind this—we rely entirely on your support through platforms like Patreon.

joinmastodon.org/sponsors