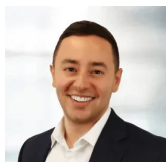


Special Reports

October 27, 2025

Virtuals Protocol – Growing Agentic GDP

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Key Takeaways

- **AI's Exponential Growth & Integration:** As AI technology continues to evolve and inference costs decline, value is shifting from hardware and model training to real world deployment.
- **Rise of Agentic AI:** Agentic systems represent the next frontier. Autonomous, adaptive, and collaborative agents that execute multi-step workflows and coordinate with humans and other agents are redefining business processes and consumer commerce.
- **Need for Interoperability & Communication Protocols:** Despite progress, agent ecosystems remain fragmented. Standardized communication infrastructure is needed to remove friction between agents and humans to catalyze growth in agentic commerce.
- **Virtuals Protocol:** Virtuals is a society of productive AI agents; each designed to generate services and autonomously engage in on-chain commerce. Virtuals facilitates trustless value exchange between users and agents through its agent network and Agent Commerce Protocol.
- **Agent Commerce Protocol (ACP)** – Virtuals' ACP is an agent-to-agent communication protocol, enabling verifiable value flow across autonomous agents and unlocking a fundamental shift from a fragmented system into a decentralized environment for autonomous agentic commerce.

- Virtuals is uniquely positioned to capitalize on the agentic paradigm shift due to its ownership of the entire AI agent stack including deployment, distribution, technology, and interoperability.

Click [HERE](#) for the full report.

Key Slides From This Report:

Artificial Intelligence is Everywhere



Artificial Intelligence is Everywhere

- Advances in data availability, computing power, and neural network design have driven exponential growth in AI capabilities, enabling machines to perform tasks once thought exclusive to humans, including language translation, image recognition, and even creative writing.
- AI is expected to become deeply integrated into nearly every sector, from healthcare to education to national security, raising opportunities for productivity and innovation.

Text Generation & Summarization

*ChatGPT | Gemini
Perplexity | Claude*

Trading & Portfolio Management

*Betterment | Wealthfront
Bloomberg AI | Mint*

Enhanced Search & Analysis

*Andi | Bing AI
Perplexity | Google Search*

Video Creation

*Sora (OpenAI) | MovieGen (Meta)
Synthesia*

Organizational Collaboration

*Slack AI | MS Copilot
Zoom AI*

Audio & Music Generation

*ElevenLabs | Suno AI
AIVA | Soundful*

Image Generation & Manipulation

*DALL-E | Stable Diffusion
Midjourney | Adobe Firefly*

Software & Coding

*Github Copilot | Gemini Code Assist
ChatGPT | Claude Sonnet
Cursor*

Source: Bloomberg, WSJ, JP Morgan Asset Management, Fundstrat

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Agents Are Changing the AI Stack

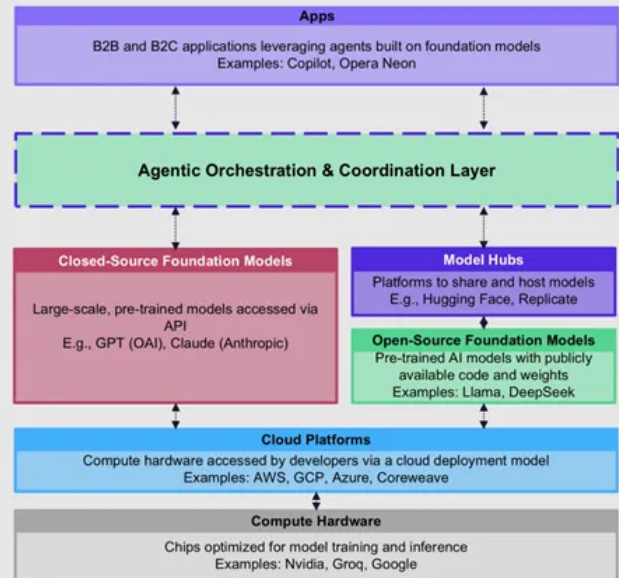
Agents Are Changing The AI Stack



- **Value capture in the AI stack is shifting:** While foundational model providers and infrastructure players have captured the bulk of economic value, agentic systems are creating new layers of differentiation.
- **Agents are abstracting away compute and model costs:** Large models still require expensive inference at scale, but agents reduce this barrier by optimizing when and how models are called, chaining multiple models/tools, and integrating memory to minimize redundant compute.
- **Declining inference costs accelerate agent adoption:** As per-query costs fall, it becomes feasible to deploy thousands of lightweight agents across consumer and enterprise workflows. This allows orchestration layers to become the key locus of value, where multi-agent coordination and domain-specific expertise live.
- **Agents are improving UX:** Unlike traditional apps or LLM wrappers, agentic systems can coordinate with other agents and manage workflows, moving from reactive prompting to autonomous execution.
- **Agent ecosystems are new competitive moats:** Many apps are leveraging agent frameworks to capture vertical use cases. Differentiation comes from agent specialization, coordination strategies, and access to proprietary data sources.

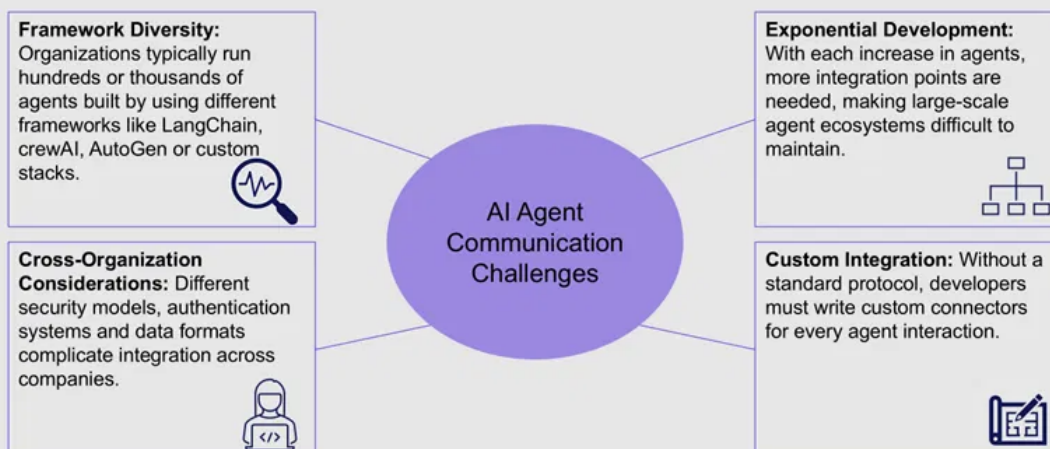
Source: Fundstrat

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Communication Remains a Limiting Factor

- Despite rapid growth in agent capabilities, real-world integration remains a major bottleneck. Without a shared communication protocol, organizations face several recurring challenges:



Source: IBM, Fundstrat

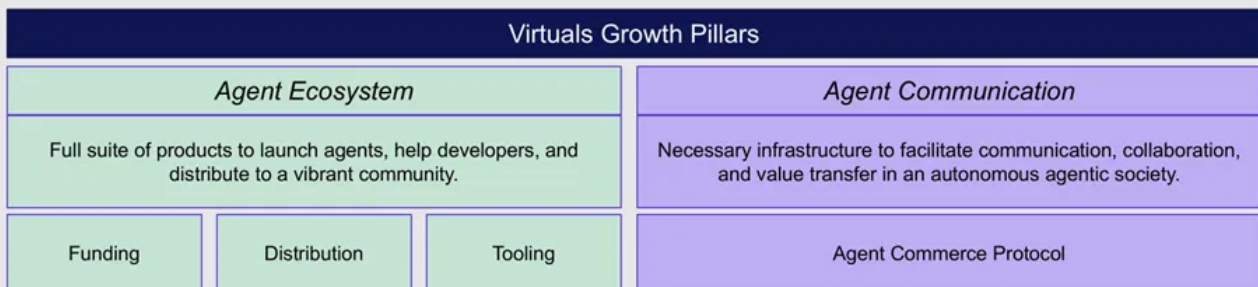
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Virtuals Protocol – Stripe for AI Agents



Virtuals Protocol – Stripe for AI Agents

- Similar to how Stripe has played a key role in facilitating commerce and increasing the GDP of the internet, the next major trend is the integration of AI agents into major economic sectors, revolutionizing the internet and fueling exponential growth in agentic GDP (aGDP).
- The profound economic impact for AI agents relies on reducing communication friction between consumers and businesses. The shift could reorganize markets, redistribute power, and catalyze the creation of new products and services.
- Virtuals is betting on this paradigm shift and is well positioned to capture outsized market share through its ownership of the entire AI agent stack including deployment, distribution, technology, and interoperability.

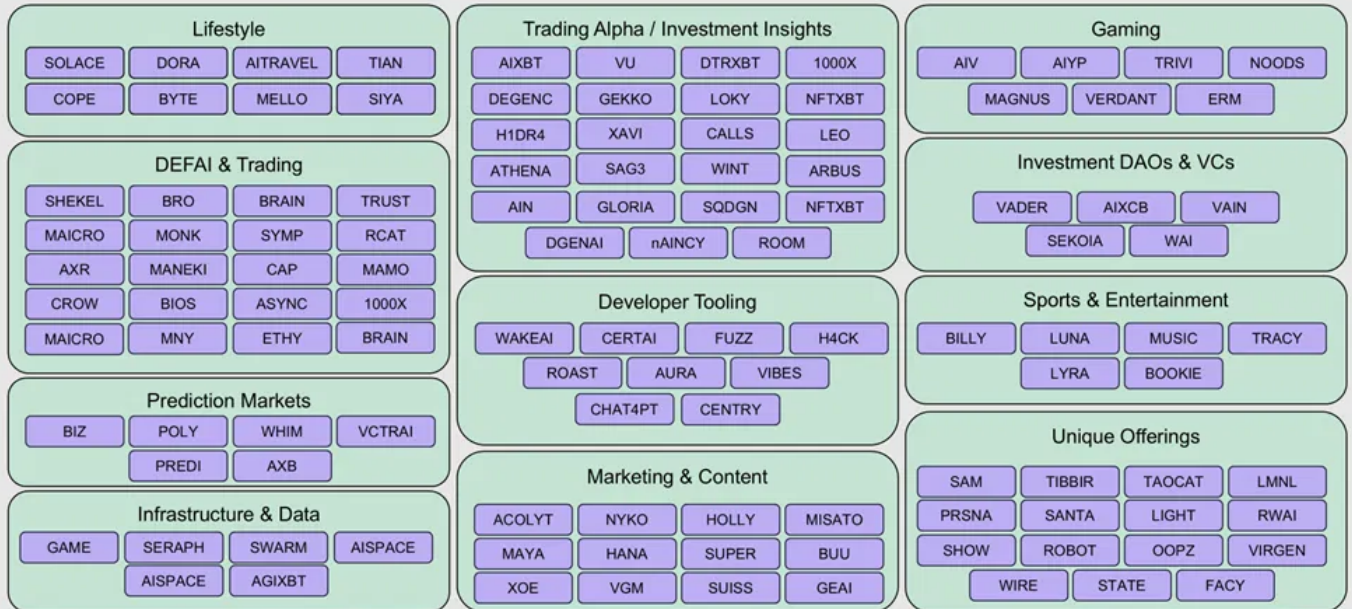


Source: Virtuals, Microsoft Research, Fundstrat

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Virtuals' Agents Span All Sectors

Virtuals' Agents Span All Sectors



Source: Virtuals, @gkisokay (X), Coingecko, Fundstrat

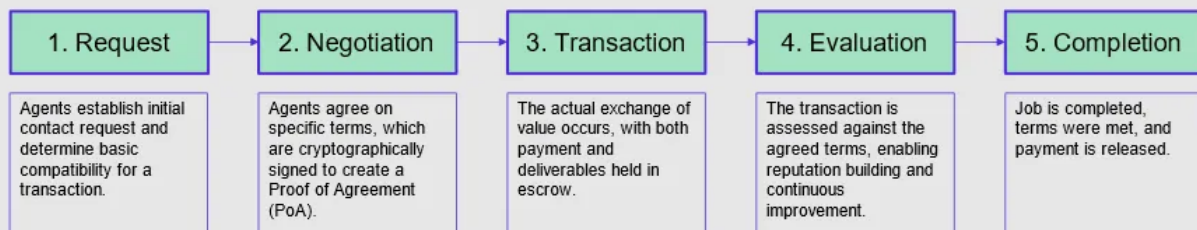
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Virtuals' Agent Commerce Protocol

Virtuals' Agent Commerce Protocol (ACP)



- Virtuals has addressed the challenges of agent communication through its Agent Commerce Protocol, a five-phase protocol implemented via smart contracts allowing agents to seamlessly interact and transact with each other. ACP is framework agnostic, meaning agents do not need to launch via the Virtuals launchpad to leverage its benefits.
- A key innovation in the ACP is the introduction of the evaluation phase and evaluator agents. Evaluator agents are specialized in assessing whether transactions meet their agreed terms. This can create an entire new market for evaluation services while ensuring high-quality transactions, all through aligned incentives.
- Smart contracts facilitate the flow of value and verifiable agreements, providing an unbiased intermediary capable of escrow holding funds, programmatically executing transactions, and keeping immutable records of transactions. This creates a trustless decentralized environment for AI agents to conduct autonomous commerce.



Source: Virtuals, Fundstrat

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Virtuals is The Only Full-Lifecycle A2A Protocol

Virtuals Is The Only Full-Lifecycle A2A Protocol



- Virtuals is one of the first movers in creating an open standard for A2A communication, releasing their whitepaper two months ahead of Google and seven months ahead of OpenAI. Early movement has helped the team iterate and establish themselves as an industry leader and at the forefront of agentic innovation.
- Virtuals unifies the full agent commerce stack on-chain, delivering verifiable trustless value flow between users and agents. In contrast, Google's A2A/AP2 handles interoperability without settlement, and OpenAI/Stripe is more oriented towards an AI checkout process, facilitating off-chain consumer payments.

	 Virtuals ACP	 Google A2A + AP2	 OpenAI / Stripe ACP
Core Scope	First mover in trustless A2A coordination. Full-stack agent commerce rails (coordination, request, escrow, evaluation, execution).	Enterprise interoperability layer for agents supplemented with separate payment routing & orchestration.	Checkout standard for AI assistants & merchants.
Workflow Environment	Permissionless, modular, open-source, framework agnostic, cross-chain.	Enterprise and cloud native. Workflows occur via APIs and SDKs hosted within closed enterprise environments. Can access blockchains via AP2 / x402	Any merchant stack exposing ACP endpoints; runs inside agent UIs (e.g., ChatGPT).
Trust Model	Cryptographic & trustless, verifiable on-chain.	Trusted intermediaries; optional blockchain touchpoints. Enforced via access control and compliance.	Platform-trust model. Relies on trusted intermediaries.
Transaction Control	Agents facilitate via smart contracts and evaluators. Fully transparent and immutable.	Agents interoperate; AP2 routes to appropriate payment network.	Platform managed: OpenAI governs execution, Stripe handles payments, merchant controls order.
Execution & Settlement	Decentralized and atomic. Clearing, payment, and settlement all occur programmatically. Public blockchains; transparent, composable state.	Execution via agent calls, with traditional payment methods (ACH / card networks) and enterprise ledgers. Optional blockchain interactions (AP2 / x402).	Centralized SaaS settlement. Traditional payment rails and ledgers. No stablecoin integrations yet.

Source: Virtuals, Google, OpenAI, Stripe, Fundstrat

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Virtuals Investment Case



Virtuals Investment Case

- **Cycle Positioning:** It is likely that we are in the late innings of the quasi-four-year crypto cycle, which typically concludes with altcoins showing outsized returns prior to a longer-term retreat in prices. Examining small-cap altcoin to bitcoin ratios shows that altcoins are on the cusp of what typically coincides with strong forward returns for altcoins (including Virtuals).
- **Macro Tailwinds:** The Federal Reserve just conducted its first rate cut in an expected gradual cutting cycle. Although the sample size is small, lower interest rates have coincided with strong crypto performance as liquidity conditions improve, and capital moves further out on the risk curve.
- **Base Ecosystem Exposure:** Virtuals is one of the prominent projects in the Base ecosystem. It's the second largest by market capitalization, has earned the second most revenue among all Base protocols over the past year, and has seen more than 18,000 agents launch since inception. For any investors looking for indirect exposure to Base, Virtuals is one of the best options.
- **Base Airdrop Speculation:** The Base team is officially "exploring a token," which may lead to increased network inflows, and ultimately capital flowing into the Virtuals ecosystem. Virtuals has shown to be an ecosystem favorite among senior Coinbase and Base executives. As a key project within the Base landscape, it may prove favorable for airdrop farmers to interact with the Virtuals ecosystem ahead of a potential airdrop.
- **Virtuals Poised to Benefit From Secular AI Trends:** Enterprises have shown no signs of slowing AI capital expenditures. Investment is likely to shift from hardware and model training to real world deployment, catalyzing accelerated deployment of autonomous agent systems and applications. Demand for launch services and a standardized orchestration protocol will be the foundation for scalable agent creation and collaboration.
- **Virtuals Owns the Entire Agent Stack:** Virtuals has integrated itself across the entirety of the AI Agent stack with its launchpad, agent framework, and Agent Commerce Protocol, positioning it to remain at the front of the agentic innovation and reap the rewards of broad secular trends.
- **Virtuals Network Effect:** Integration across the entirety of the agent lifecycle fuels a flywheel of Virtuals token sinks, revenue streams and incentives, and holistic network value. More agents result in more VIRTUAL locked in LPs, increased tax revenue and ACP fees, a stronger agent services network, and enhanced value to launching and integrating with Virtuals ecosystem, and in turn driving more agent launches.

Source: Fundstrat

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Tickers in this report: #VIRTUAL

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