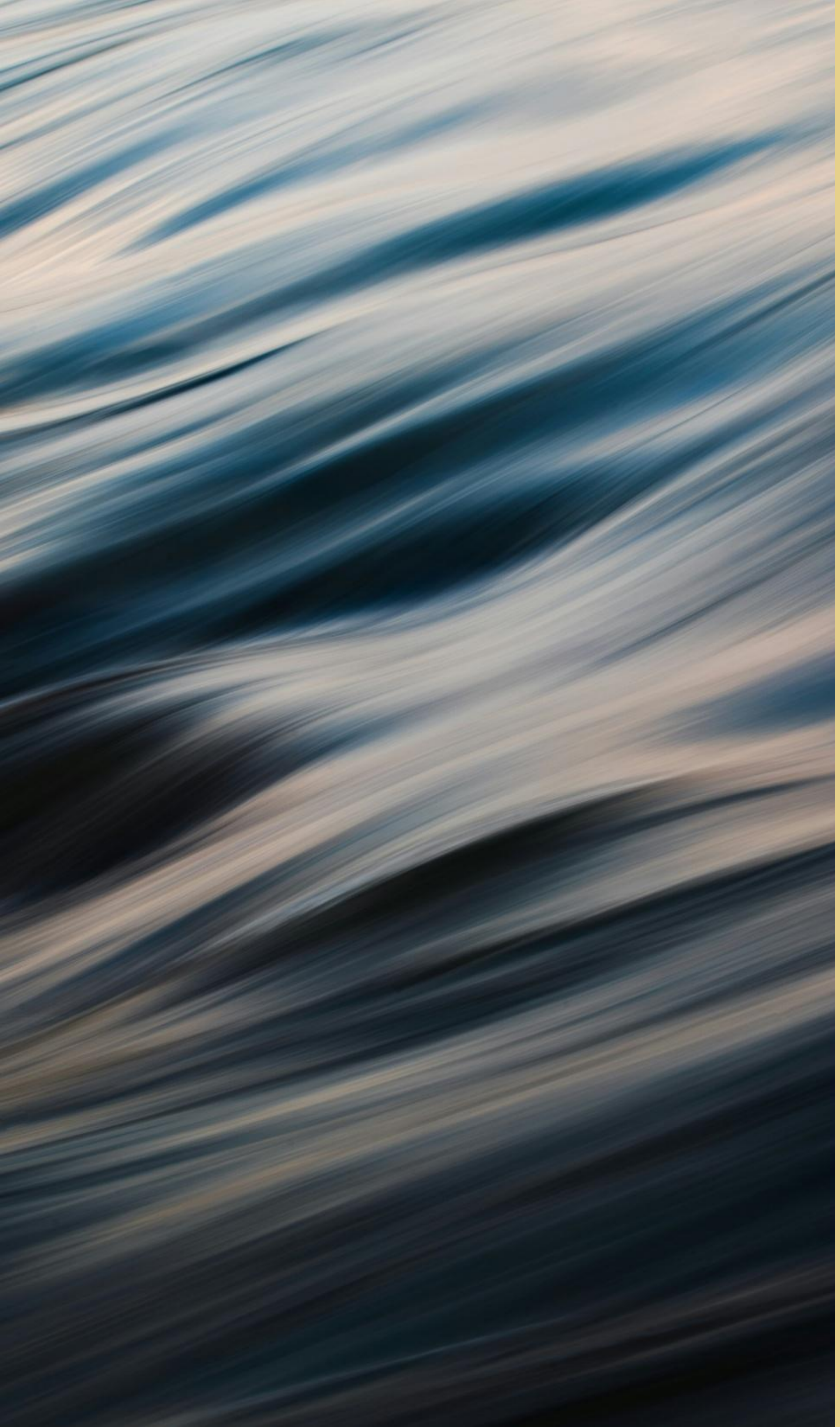


Agentic Commerce:

Implications & Opportunities for the Payments Ecosystem

Flagship ADVISORY PARTNERS

October 14, 2025

1. Agentic commerce has the potential to be disruptive, but it's too early to tell if it's the next Mobile (transformative) or the next Metaverse (hype).
2. Agentic commerce will have broad impacts across the customer journey and deep into the payments ecosystem – automating checkout is just part of the story.
3. Near-term agentic commerce repurposes current infrastructure; longer-term it could redefine both the technical stack and commercial constructs of commerce.
4. Companies that embrace this trend will be able to set the terms of a new ecosystem; companies that wait and see will have terms set for them.
5. The ecosystem must figure out: consumer trust, identity and authentication rules and infrastructure, economic frameworks, data standards, and agent-ready checkout infrastructure.

Agentic could be this generation's e-commerce.

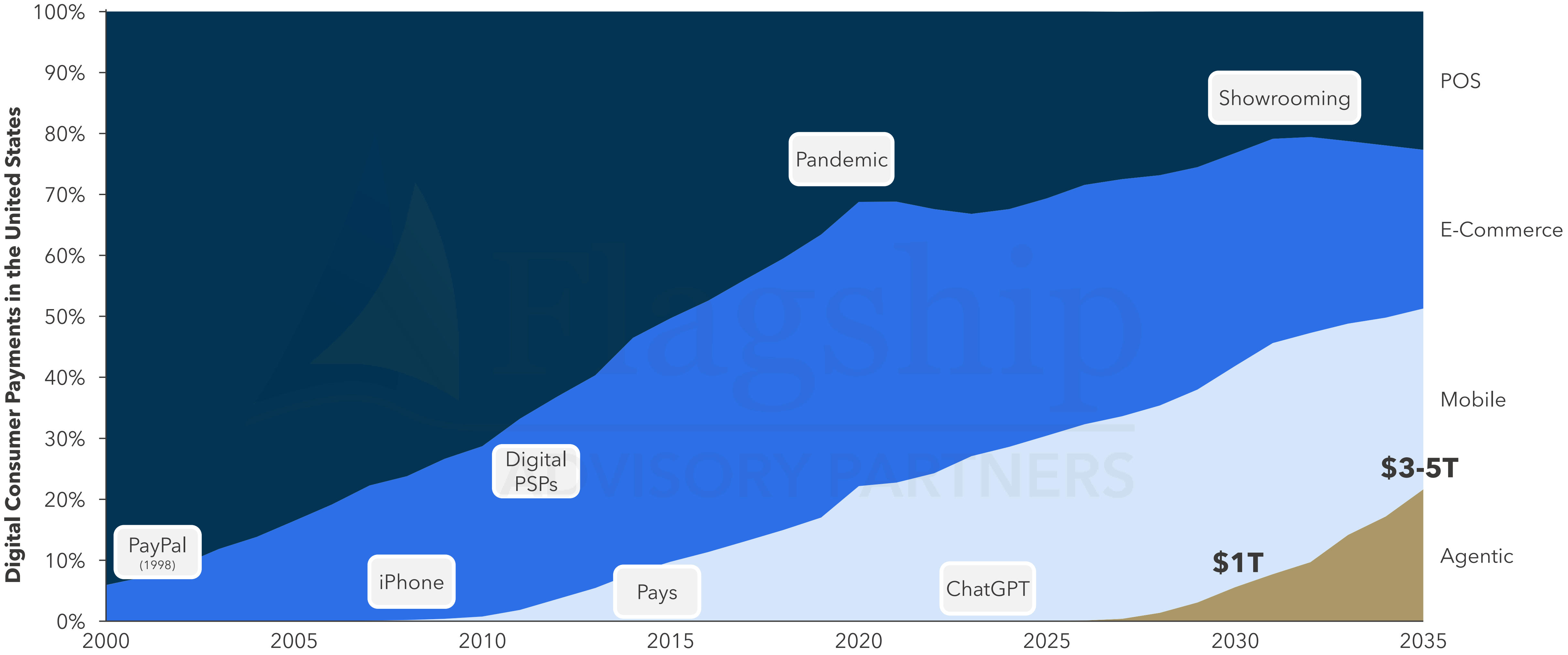


Chart shows share of digital consumer payments (card, wallet, A2A, BNPL) by channel
Source: Flagship Advisory Partners

It’s super early but things are moving quickly.

Recent Developments

(non-exhaustive; select key events)

2024

- **amazon** — Launched Rufus shopping assistant
- **perplexity** — Released one-click “Buy with Pro”
- **shopify** — Released Sidekick, AI copilot for merchants
- **stripe** — Launched Agent Toolkit

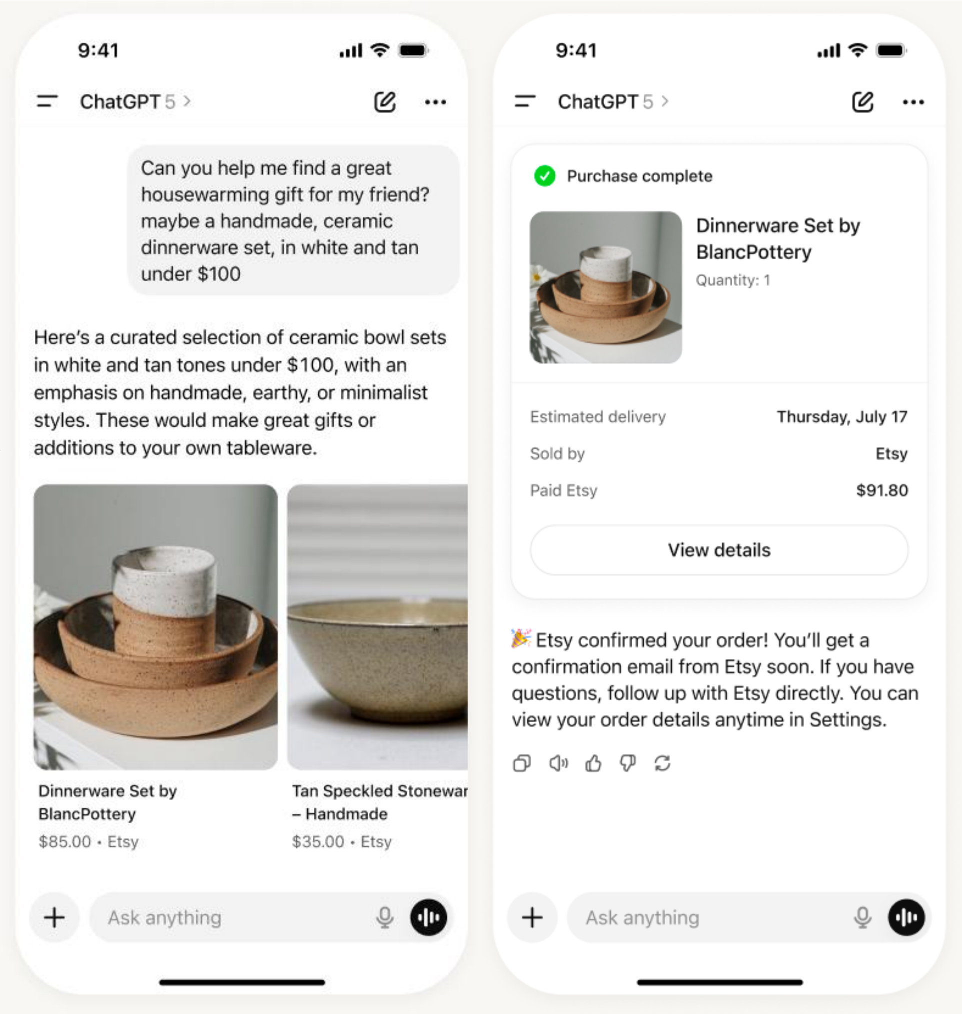
2025

- **amazon** — Launched “Buy for Me”
- **OpenAI** — Launched Operator
- **coinbase** — Launched x402 stablecoin payments protocol
- **VISA** — Launched Intelligent Commerce
- **PayPal** — Launched Agentic Toolkit and MCP server
- **mastercard** — Released Agent Pay
- **Walmart** — Launched Sparky shopping assistant
- **perplexity** / **PayPal** — Partner to embed payments in chatbot
- **Google** — Launched Gemini shopping agent and Agent Payments Protocol (AP2)
- **worldpay** / **Trulioo** — Released “Know Your Agent” framework

LEGEND: Acquirers & Networks | Big Tech & AI Platforms | Merchants & Platforms

Walmart **OpenAI**

On October 14, 2025, Walmart announced a partnership with OpenAI that allows customers to complete purchases from Walmart directly from ChatGPT.



Source: Company Press Releases

North America and APAC have led the way on new commerce and payment experiences in recent years… we expect agentic commerce to follow the same path.

Regional Considerations

North America

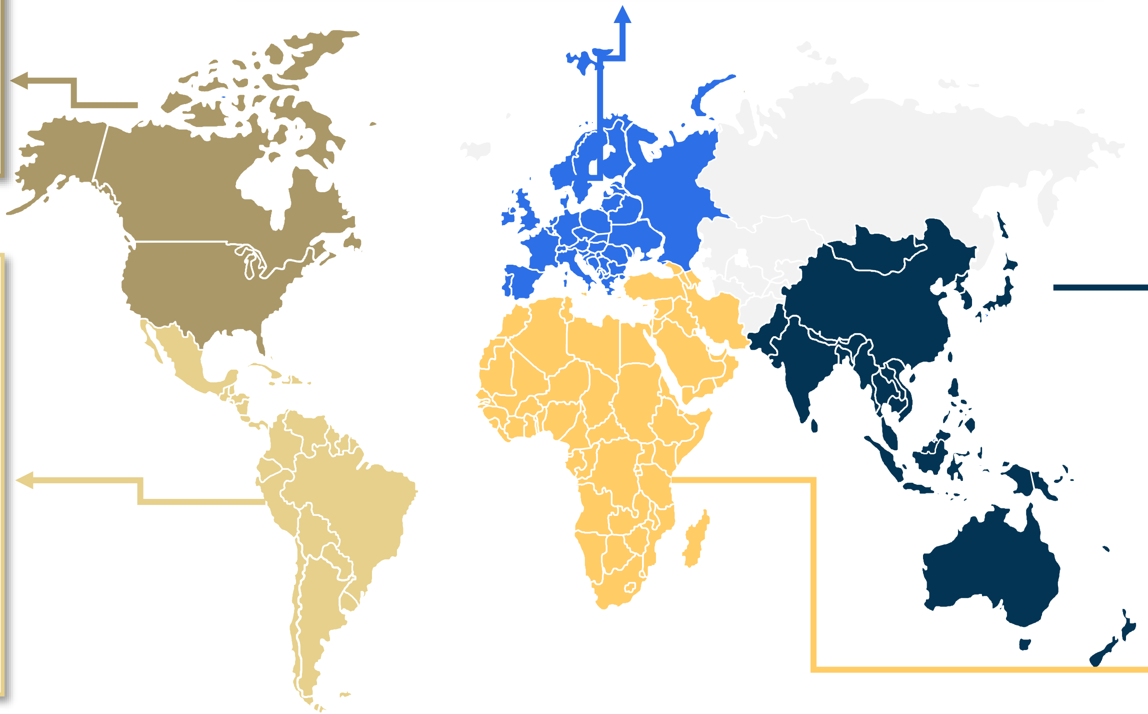
- U.S. is a card-first, tokenized ecosystem and benefits from comparatively looser regulation
- Major merchant and platform distribution (e.g., Shopify, Amazon, etc.) provide immediate surface area for deployment

UK & Europe

- Greater focus on consumer protections and regulations
- Issuers are slower moving and more conservative

APAC

- Super apps and messaging commerce can rapidly deploy mass agent capabilities for "embedded" use cases
- High adoption of stored value wallets



LATAM

- Fragmented local payments infrastructure will slow adoption
- Agentic AI helpful to onboard "next 1B users" to sell online
- Brazil likely to move quicker and agentic experiences already starting to appear

MEA

- Low consumer trust and uneven digital maturity despite strong AI engagement in select markets
- Smaller Ecommerce market limits adoption

Source: Flagship analysis and market observations

Agentic AI disrupts every stage of the customer journey.

Customer Journey	Search & Discover Research needs, compare options, and discover products	Checkout & Pay Select items & complete transaction	Support & Engage Receive support, engage with brand, & build loyalty
Likely Impacts	▪ Zero-click search and embedded buying experiences reduce site visits ▪ Traditional conversion funnels break down, impacting cross-sell and retail financing ▪ New acquisition costs ▪ AI creates new infrastructure investment requirements	▪ Good bots confuse fraud tools ▪ Rebuild the checkout ▪ Changes to payment mix ▪ Hard to promote and originate BNPL and branded credit ▪ New types of surcharges, disputes, and chargebacks ▪ Threat actors exploit new spots	▪ More ways to use points ▪ Access to SKU-level data ▪ Better data on merchant product inventory & pricing ▪ Increased card benefit claims ▪ Ratings for every experience ▪ Customer loyalty shifts to AI agents

Source: Flagship Advisory Partners, Commerce Ventures

There is more than one way to agent.

Legend: Merchant | AI Platform

Agentic Model	Search & Discover	Checkout & Pay	Support & Engage
Conversational Search Consumer discovers and purchases directly on merchant website	AI-powered shopping experiences on merchant sites		
Personal Shopper AI discovers products, consumer purchases on merchant website	Consumer discovers products on AI platforms	Consumer visits merchant site to complete their purchase	
Facilitator AI handles discovery through checkout, merchant fulfills orders	Consumer discovers products on AI platforms and buys natively on the platform		AI checks out through merchant infrastructure, enabling them to maintain a direct relationship with consumer
Aggregator AI platform owns discovery through fulfillment, merchant supplies products	AI owns the complete customer experience and acts as merchant of record or a marketplace; merchants become commoditized suppliers with minimal visibility to buyer		
Other Experiences AI can play a role in any part of the customer journey, if not end-to-end		**Invisible Checkout** Authenticated agent takes care of the 'admin' of checkout, even if the rest of the shopping journey is organic	**Consumer Advocate** AI agent helps consumer with disputes, price protection, warranty claims, etc.

Source: Flagship Advisory Partners, Commerce Ventures

Payments infrastructure will evolve for agentic commerce.

Payment Model

AUTO-FILL

The AI agent itself acts as the Merchant of Record, potentially in violation of card rules, though waivers are likely

VIRTUAL CARDS

AI agents conduct staged transactions, pulling funds from a consumer's account and then providing merchants with a unique virtual card

AGENT TOKENS

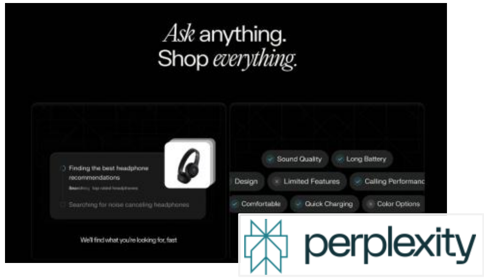
AI agents use shared protocols and infrastructure to identify themselves and provide end-user payment credentials

DIRECT SETTLEMENT

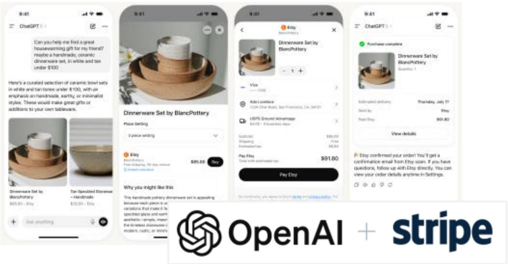
Scaled AI agents may build their own wallets, use stablecoin protocols like x402, or establish direct settlement relationships with large merchants

Early Examples

- Buy for Me enables people to buy goods from third-party sellers
- Amazon programmatically fills the other merchant's checkout form



- Perplexity partnered with PayPal to enable its financial infrastructure
- Merchants get paid using virtual commercial cards, similar to how platforms like DoorDash work today



- When ChatGPT users buy Etsy items in the app, a shared token is communicated to Etsy
- V/MC are evolving network tokens to advance this model

- Cloudflare and Coin-base have partnered to enable HTTP 402 for stablecoin payment
- Akamai, Tollbit, and Skyfire working to monetize bot traffic with stablecoin micropayments

Source: Flagship Advisory Partners, company websites, LinkedIn

The major payment networks and other large players have launched new infrastructure for agentic commerce.

Payment Network Agentic Frameworks

VISA INTELLIGENT COMMERCE

- **API platform** with secure tokenization, authentication, transaction controls, and opt-in personalization
- Users **authenticate intent** through passkeys, which issue **tokenized credentials** (bound to specific agents)
- Intent is passed as part of the authorization flow, and it **ensures intent matches payment execution**
- With opt-in, agents can **personalize results** based on past spend
- Will eventually support analysis of **basket/SKU details**
- Beta launches enabled by merchant-to-Visa API calls but long term will **work via PSPs**

mastercard AGENT PAY

- Adapts traditional tokenization into **Agent Tokens**, explicitly for registering and governing AI agent activity
- Specifies **data exchange standards for personalizing** agentic shopping results
- **Verifies user intent** and matches it to transaction results
- Users can opt-in to personalization via **biometric authentication**
- By the Q4 2025, **all U.S. Mastercard cardholders will be enabled** for the Mastercard Agent Pay program, with global rollout to follow

PayPal AGENT TOOLKIT & MCP SERVER

- **API library for commerce** capabilities (payments, orders, invoices, subscriptions, disputes, reporting, etc.)
- **MCP server** helps agents call PayPal's APIs via structured interfaces, supporting faster deployment of agentic
- **Integrates with agent frameworks** such as OpenAI's Agents SDK, LangChain, Vercel AI SDK
- Showcased **demo with Gemini Shopping Assistant** using agent-to-agent protocol

Google AGENT PAYMENTS PROTOCOL

- Open protocol for agent-led payments
- **Payment-agnostic**; works for cards, bank transfers, and stablecoins
- Can be used as an **extension of the Agent2Agent (A2A) protocol and Model Context Protocol (MCP)**
- Addresses simple use cases and enables new, complex commercial exchanges through **digital contracts ("mandates") that memorialize user instructions and limits, basket contents and prices**
- Mandates address **"human present" and "human not present"** scenarios

stripe OpenAI AGENTIC COMMERCE PROTOCOL

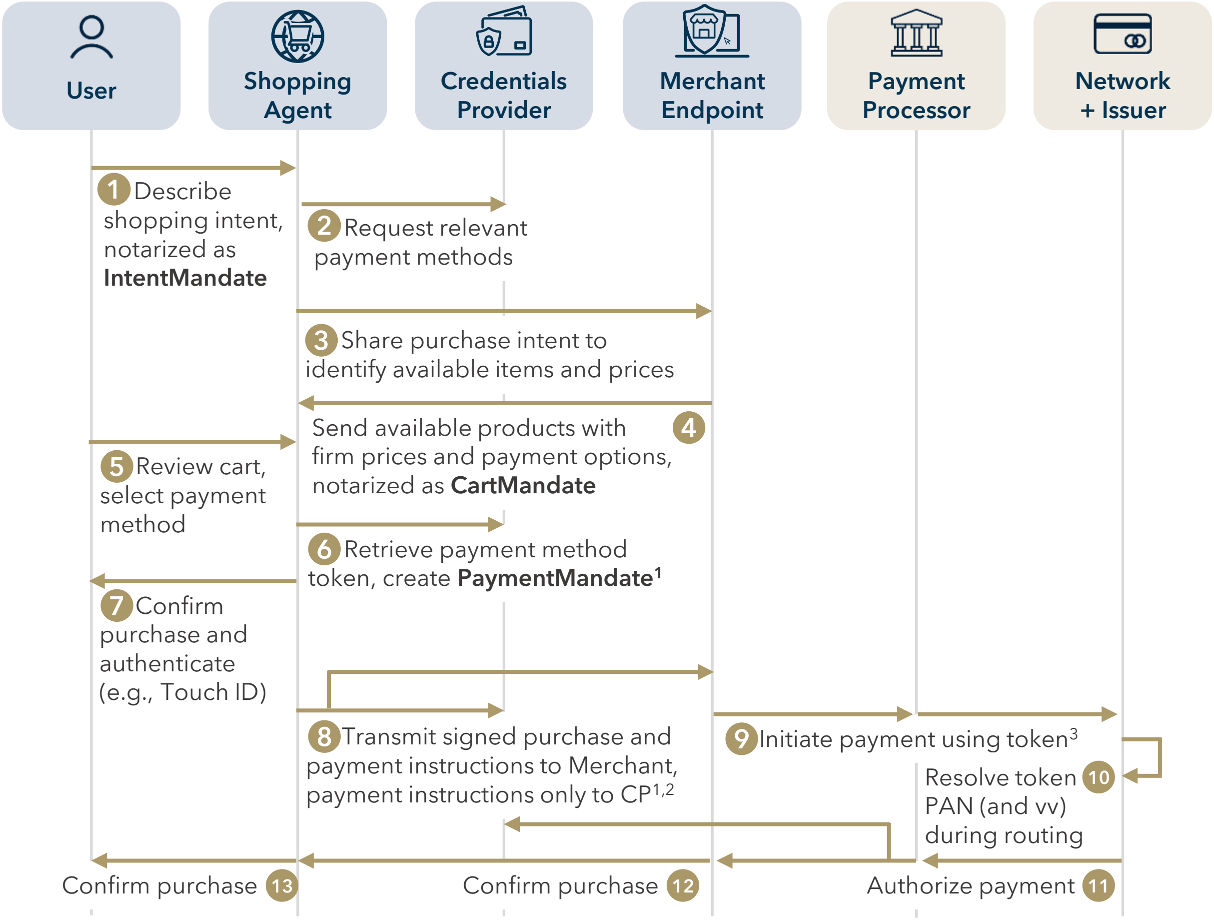
- Open standard with a goal of supporting **custom checkout** capabilities via agents
- Connects to **any commerce back-end and payments infrastructure** and
- Accesses **multiple agents** via single integration
- **Businesses remain merchant of record** and control product availability, transaction processing, and fulfilment
- **Flexible configurations** for physical vs. digital goods, subscriptions, etc.
- **Agent initiates transaction** upon buyer's approval and **relays secure payment credential (via PSP) to merchant** for processing

Source: Company websites, Flagship market observations and analysis

Agent Tokens May Have Impacts Across the Payments Industry

Google AP2 Transaction Flow

Illustrative



Notes: (1) CP may need to interact with the Network for issuance of specific tokens for agentic transactions (2) SA may request CP push payment to merchant (3) PP may request payment from CP in a three-party model (e.g., digital wallet)

What's New: Verifiable Digital Credentials

Verifiable digital credentials (VDCs) are cryptographically signed digital objects that serve as the building blocks of a transaction. They are the data payloads that agents create and exchange. In the AP2 flow, there are three primary types of VDCs.

Intent Mandate	• Captures the conditions under which an AI Agent can make a purchase on behalf of the user, particularly in "human-not-present" scenarios • Created by Shopping Agent (signed by User), shared with Credential Provider & Merchant
Cart Mandate	• Initially represents the merchant's firm commitment to sell a specific product for a specific price. Once counter-signed, represents the user's final, explicit authorization for a specific cart, including the exact items and price, in "human-present" scenarios. • Created by Merchant and shared first with Shopping Agent and Credential Provider, then back to Merchant once counter-signed by User
Payment Mandate	• A separate VDC designed to signal AI agent involvement and user presence (human-present or not) to help assess transaction context • Created by Shopping Agent (signed by User), shared with Credential Provider, Network & Issuer

Source: Google, Flagship Advisory Partners analysis

About Flagship Advisory Partners

We are laser focused on helping digital payments and fintech companies to create value in a dynamic market.

Flagship Advisory Partners is the leading strategy consulting and M&A advisory boutique focused exclusively on digital payments and embedded finance.

CREDENTIALS

100+
Engagements successfully delivered annually

50+
Unique fintech and payment clients supported every year

50
Professionals with deep knowledge in payments and fintech

WHY CLIENTS CHOOSE FLAGSHIP

DEEP EXPERTISE
We understand the complex mechanics behind digital payments – technical and strategic

OPERATOR + EXECUTIVE
Our advice is grounded in first-hand experience of building products, scaling operations, and managing payments P&Ls

HYPOTHESIS-LED
We can structure our analysis around market insights on day one, ensuring clear outputs, quick turnaround, and high value relative to cost.

UNIQUE DATA & IP
We use technology to surface nuanced insights from our unique IP (market models, reference architectures, 1000+ expert interviews)

PERSONAL COMMITMENT
We build long-term relationships with clients. Our senior consultants play a hands-on role in all projects & remain available long after projects end.

CLIENTS & SERVICES

INVESTORS	SOFTWARE & PLATFORMS	PAYMENT SERVICE PROVIDERS	FINTECH COMPANIES	FINANCIAL INSTITUTIONS	MERCHANTS & BRANDS
Private equity, investment banks, corp dev teams	SaaS platforms, marketplaces, Tech Giants	Acquirers, PSPs, payment facilitators, orchestrators, A2A	Processors, wallets, exchanges, hubs, B2B platforms	Banks, card issuers, BIN sponsors, EMIs, non-bank lenders	Retailers, travel & entertainment, fuel & mobility, brands

MARKET INSIGHTS
- Market definition & sizing
- Business case validation
- Voice of the customer & competitive insights
- Performance benchmarking

GROWTH STRATEGY
- Opportunity prioritization
- Product & service design
- GTM & pricing
- Global expansion

VALUE ACCELERATION
- Operating model design
- Strategic sourcing & partnerships
- Implementation coaching
- Expert advisory

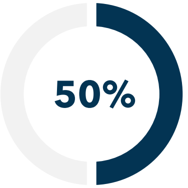
M&A ADVISORY
- M&A strategy
- Commercial due diligence
- Technology red flag review
- Sell-side M&A support (VDD)
- Value creation strategy

OUR FOOTPRINT

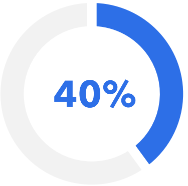
Fintech market leaders trust Flagship to help shape and accelerate strategic initiatives.

Examples of recent clients & sectors served:

200+ clients including…



of major global card networks



of big tech companies

50+ global unicorn fintechs

30+ leading financial sponsors

Examples of recent projects conducted*:

A leading global software and tech player	An analysis of consumer data in the payments industry across 11 regions in NA, EU/UK and APAC, aimed at crafting a go-to-market strategy to enable data monetization with payments players
A leading global marketplace	A deep market study of the digital wallets market across 9 major developed geographies in NA, EMEA and Asia, including market sizing, player analysis, trends and success factor definitions
A leading global card network	A study of the card not present verification/authentication market across 6 developed markets, supported by 25 interviews with relevant players and a 142 enterprise survey
A leading global card network	An exploration of the market, competitive dynamics and detailed sizing for merchant services and embedded finance in 4 major markets, as well as a detailed benchmarking on servicing practices
A leading acceptance PSP	A detailed secondary research task on the marketplace segment in the US, exploring merchant needs and challenges, an evaluation of the competitive space and capabilities vs client's

Our partners and principals play hands-on roles across every engagement. We can also draw on our network of 40+ industry principals to go deep on products or markets.

Flagship Leaders*:

Joel Van Arsdale
Partner

- 25 years in payments with primary focus on merchant acquiring
- Involved with the industry's most transformative private equity transactions and partnerships
- Strategy work focuses on growth and includes a track record of tangible results.

Erik Howell
Partner

- 20+ years in payments with primary focus on card issuing and A2A
- Experience as a European bank executive (Head of Transactional Banking and Small Business at Moneta Money Bank)
- Advisor to numerous clients in NA and EMEA

Ben Brown
Partner

- 15+ years in fintech with experience across diverse product areas
- Personal focus areas on growth, product, partnerships, and ops transformation
- Direct involvement with tech modernization and digital product development programs

Anupam Majumdar
Partner

- 16+ years of experience in payments
- Expertise in B2B payments, open banking, transaction banking and merchant acceptance
- Has advised numerous European and global PE firms, banks, PSPs, fintechs, etc.

Flagship Industry Principals*:

Chris Craver
CPO

- 20+ years of experience in fintech
- Product leadership roles at Valley Bank, Varo Money, i2c, Monitise, Genentech
- Deep domain expertise in digital banking, card and A2A payments, operations, martech and fintech transformation

Kevin Albrecht
CTO

- 20+ years of experience in fintech
- Software engineering roles at SaaS and fintech companies
- CTO at TrustBuddy, Betalo; co-founder and CEO at PFC; Head of AI at Resurs
- Deep local knowledge of European fintech and payments

Kiran Dhanwada
India SME

- 20+ years of experience in banking and payments
- Knowledge of payments market globally with deep expertise in India
- Growth and digital strategy, M&A and P&L growth for banks and financial services

*non-exhaustive; Flagship's leadership team includes 6 partners and 4 principals across the US and EU.
Industry Principals are independent contractors who bring specialized knowledge on specific products, functions, or geographies.

We use technology to surface nuanced insights from our unique IP, including market sizing models, 1000+ expert interviews, 200+ articles, reference architectures, and more.

Flagship Assets

A uniquely broad and deep set of payments & fintech specific assets that we use to accelerate and illuminate our research. Organized and activated using enterprise-grade AI tools and professional analysts.

Market models

We actively maintain dozens of payments and fintech models for 20+ global geographies, segmented by business size, industry/vertical, and payment/fintech product use case. These include activity metrics, benchmarks, player databases and more.

Primary research database

Flagship conducts hundreds of interviews and dozens of business and consumer surveys every year; we catalogue and maintain this raw data to accelerate thinking on new projects.

Prior content and thought leadership

Flagship performs c.100 projects every year across strategy and M&A, each resulting in deep insights across key payments and fintech topics that are carried onto the next and can be leveraged for accelerated insights.

Global expert network

Flagship's leadership team have been working as advisors in payments and fintech for up to 20 years, with coverage across all players in the ecosystem and a book of contacts reflective of that experience.

Ecosystem directory

Flagship's experience also gives it a deep understanding and up-to-date catalogues of relevant players across key payments and fintech spaces.

We can go beyond traditional desk research to help clients understand customer needs and mindsets around the world.

Flagship combines classical and grounded research methodologies, comprising of deep quantitative and qualitative research…

…with creative ways to gather alternative perspectives on key research challenges

Including, but not limited to…

Flagship expertise and assets
Leveraging the deep payments and fintech expertise of the Flagship team and their cultivated library of industry data and perspectives

Deep analyst desktop research
Competitive evaluation, pattern scanning, analyzing earnings and equity reports and mystery shopping/conducting product walkthroughs

Local expert interviews
Conducting interviews with local practitioners and recent leaders at major players to get deep into vital nuances – typically 10+ per market for a given key topic

Customer and client surveys
Gathering specific quantitative feedback from targeted respondents, whether it's consumers or businesses, with sample sizes in the hundreds

Powerful qualitative and quantitative data
+
Flagship's strategic insights and recommendations

Field/ground research
Testing concepts with relevant customers on the street, real-world safaris and tag alongs, pop-up events to test solutions and reactions

Social discussion analysis
Observing millions of online conversations and analyzing perspectives, performing sentiment analysis on moods and emotions

Digital customer immersions
Meeting high volumes of customers in quick digital interviews, focus groups or observing use/reaction to products

Digital 'soft' testing
Mock-up/fake marketing and social media reaction analysis, clickable prototype development and customer testing, product A/B testing

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Thank You

Please reach out anytime if Flagship Advisory Partners can be a resource as you develop your strategy for agentic commerce and other types of payments and fintech innovation.

Flagship
ADVISORY PARTNERS