Ankara Reckoning: NATO summit’s impact on European Defence

Published July 10, 2026

Aneeka Gupta
Director, Macroeconomic Research

Key Takeaways

- The Ankara summit was the most consequential NATO gathering in years. Alongside $50bn in new defence contracts, European allies demonstrated tangible progress on the 5% GDP commitment made at The Hague — moving the alliance's conversation from pledges to delivery.
- The Patriot production licence granted to Ukraine is the summit's most consequential bilateral outcome — a technology-transfer decision that creates a long-duration demand pipeline for air defence components, manufacturing infrastructure, and systems integration across European primes.
- European defence M&A is accelerating sharply: the Canada–TKMS submarine deal, Thales's €3.9bn acquisition of Exail, and the Deutz–FFG transaction all signal that industry is moving decisively to build scale and sovereign capability ahead of the largest procurement cycles in decades.

The 2026 NATO summit in Ankara arrived freighted with expectation. European allies had hoped to use the gathering to showcase their rearmament progress – translating the landmark 5% GDP spending pledge made in The Hague last year into tangible capabilities and contracts. Instead, it became a summit of two registers: a noisy, headline-generating political drama driven by US grievances, and a quieter but consequential set of structural commitments and bilateral deals that will shape European security for years to come. For investors, it is the second register that matters.

From the Hague to Ankara: a delivery summit under pressure

Last year's summit in The Hague was a watershed. All 32 NATO allies met the 2% GDP defence spending floor for the first time. More importantly, they committed to 3.5% of GDP on core defence and a further 1.5% on defence-adjacent spending — cyber resilience, critical infrastructure and civil preparedness by 2035. European defence spending rose 20% in real terms in 2025, with European allies and Canada adding US$139bn in nominal investment[1]

Ankara was designated the delivery summit, marking the moment to demonstrate those commitments were translating into real capabilities. NATO Secretary General Mark Rutte's framing was direct: the alliance must move "from money to missiles." Against that backdrop, over US$50bn in new defence industry contracts and initiatives were unveiled at the NATO Defence Industry Forum on 7 July, with European prime contractors at the centre of the action.

Five fault lines

- **Greenland.** Trump reiterated his view that the US should acquire Greenland, calling it critical to American national security while dismissing its strategic value to Denmark. Danish Prime Minister Mette Frederiksen was unequivocal in response: "We are ready to defend every inch of NATO, including our own territory." The dispute has unsettled the alliance deeply enough that NATO reportedly deployed troops to the Danish island earlier this year.
- **Spain and the Iran rift.** Trump's frustration over European responses to US military operations in Iran broke into the open most forcefully against Spain. Madrid had refused the US use of its airspace and bases, condemned the conflict, and rejected Trump's spending demands. Trump ordered the Treasury to cut all trade ties with Spain and declared it "a terrible partner in NATO." Spain's government publicly pushed back, asserting its sovereignty and calling Trump's approach bullying rather than diplomacy. Italy raised legal objections. Britain initially hesitated before reaffirming base access. The episode exposed a genuine crack in the alliance over out-of-area operations that will not close quickly.
- **US troop posture review.** Secretary of Defense Pete Hegseth announced a six-month review of US force posture in Europe — designed, in his words, to ensure Europe takes "primary responsibility" for its own continental defence. The announcement surprised European planners. It reinforces the defining strategic question of this era: whether Europe can fill the capability gaps left by a US that is, at minimum, reducing its European commitment and, at maximum, beginning a phased withdrawal.
- **Ukraine.** Despite the surrounding turbulence, Ankara reaffirmed allied support for Kyiv, with an immediate focus on the air defence gap. Russia's recent swarm missile and UAV attacks on Ukrainian cities have exposed a critical shortage of Patriot interceptors. The summit's communiqué is expected to build on the Prioritised Ukraine Requirements List (PURL) initiative, which has kept military aid flowing.
- **The Patriot production licence.** The most significant bilateral outcome of the summit came in the meeting between Trump and Zelenskyy. The US agreed to grant Ukraine a licence to produce Patriot surface-to-air interceptor missiles — specifically the Lockheed Martin Pac-3 system, which is central to Ukraine's ability to defend against Russian ballistic missiles. The Patriot production licence adds a further long-duration demand signal: the production facilities, supply chain expansion, component manufacturing, and systems integration required represent order pipelines that extend well beyond the current conflict cycle.

The Iran conflict has fractured alliance unity on out-of-area operations, and Trump's bilateral signals — rewarding Turkey with F-35 programme re-entry and lifting CAATSA sanctions while punishing Spain

exposes an increasingly transactional US approach to alliance management. Yet, paradoxically, each rupture accelerates the European strategic autonomy that NATO 3.0 demands. The political case for sustained defence investment is now essentially unchallengeable across Europe.

Defence consolidation: the market is already moving

The structural shift visible in Ankara is not only playing out in government spending plans, but also reshaping the European defence industrial landscape through a wave of M&A that is accelerating in both volume and strategic ambition. Just days before Ankara, Canadian Prime Minister Mark Carney announced that Germany's ThyssenKrupp Marine Systems (TKMS) had been selected as preferred bidder to supply up to 12 Type 212CD submarines — the largest defence procurement in Canadian history, with an estimated lifecycle value more than $100bn[2]. The decision was announced in Halifax before Carney travelled directly to the NATO summit, signalling the political intent clearly: Ottawa is deliberately drawing closer to Europe as its relationship with the US frays. TKMS supplies approximately 70% of NATO's conventional submarine fleet; Canada's selection embeds it firmly within a European-led naval architecture.

In the most significant European defence M&A transaction of the year, Thales signed a binding agreement on 3 July 2026 to buy the Gorgé family's 35.51% stake in Exail Technologies at €134 per share, implying an enterprise value of €3.9bn. The acquisition positions Thales to build a full-spectrum portfolio in autonomous mine countermeasures, uncrewed anti-submarine warfare, and resilient inertial navigation, adding €479m of 2025 revenue and an order book of €1.1bn to the group.

Completing a broader picture of European industrial consolidation, engine and drive systems group Deutz agreed to acquire privately held shipbuilder FFG (Flensburger Fahrzeugbau Gesellschaft) in a deal structured as approximately €1bn in cash funded with debt and an equity component of around €0.6bn through the issuance of Deutz shares to the seller families. The transaction deepens the integration of German industrial capacity into the defence supply chain, as FFG is a key builder of military and naval vessels across European programmes.

A multi-year rearmament cycle with durable political underpinning

For investors, the picture resolving out of Ankara is one of sustained, politically durable capital flows into European defence primes. This is not a short-cycle trade driven by headline risk. It is a structural reallocation of fiscal resources that governments across the continent have publicly committed to, in many cases legislated for, and which faces no credible political reversal across the major European economies.

The Ankara summit sharpens the capability-mix dimension. Four priority areas emerged explicitly:

- Air defence interceptors and ballistic missile defence
- Drone systems & counter-drone technology
- Military mobility & ammunition

- Combat aviation renewal

These map directly onto the revenue bases of the European primes that dominate the WisdomTree Europe Defence UCITS ETF (**Ticker: WDEF**). The ETF launched in March 2025 as the world's first European defence ETF and rapidly gathered assets as geopolitical events validated the structural thesis. Year to Date WDEF has garnered US$1.2bn net inflows, lifting assets under management to US$5.2bn[3].

What distinguishes WDEF from conventional market-cap-weighted approaches is its unique revenue-based tilt in the weighting methodology. Rather than simply weighting constituents by size, the index tilts holdings toward companies where defence revenues represent a larger share of total revenues, giving greater weight to pure-play defence companies, and less weight to large, diversified conglomerates where defence is only one of several businesses.

The WisdomTree Europe Defence UCITS Index (**Ticker: WTEUDEFN**) is positioned for strong earnings growth, with earnings per share expected to rise by 24% in 2026 and 21.4% in 2027[4]. This reflects expanding market share, multi-year procurement cycles, and increasing defence budgets across Europe. Dividends per share are also expected to grow over the next two years.

		2026		2027		2028	
Measure	Current	F12 Est	Growth	Y+1 Est	Growth	Y+2 Est	Growth
Earnings Per Share	12.42	15.4	23.97%	18.69	21.38%	22.18	18.63%
Cash Flow Per Share	21.32	22.23	4.28%	25.24	13.53%	31.61	25.24%
Dividends Per Share	5.1	6.38	25.02%	7.49	17.41%	8.97	19.83%
Book Value Per Share	65.95	75.87	15.04%	86.65	14.21%	99.16	14.44%
Sales Per Share	154.58	179.39	16.05%	200.96	12.02%	224.39	11.66%
EBITDA Per Share	22.33	28.77	28.89%	33.1	15.04%	38.17	15.30%
Net Debt Per Share	0.56	-6.19		-13.15	-112.33%	-21.44	-63.02%

Source: Bloomberg, WisdomTree as of 7 July 2026. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.**

Conclusion

Ankara was more turbulent than The Hague — and arguably more consequential. It confirmed that US strategic reorientation away from European primacy is a durable feature of the transatlantic relationship, not an isolated episode. It produced US$50 billion in new defence contracts and a technology-transfer agreement on Patriot missile production. In the days surrounding it, landmark M&A activity signalled that European industry is moving to capture the rearmament cycle with conviction. It identified the specific capability gaps within air defence, ammunition, drone systems, combat aviation renewal, that will drive European defence order books over the next decade. The WisdomTree Europe Defence UCITS ETF offers investors pure-play, diversified access to the companies best positioned to benefit from this structural cycle.

[1]NATO overview of 2026 Ankara Summit 2026

[2]Euractiv as of 6 July 2026

[3]Bloomberg from 31 December 2025 to 7 July 2026

[4]Bloomberg Finance L.P. as of 10 July 2026

IMPORTANT INFORMATION

Marketing communications issued in the European Economic Area ("EEA"): This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

Marketing communications issued in jurisdictions outside of the EEA: This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as "WisdomTree" (as applicable).Our Conflicts of Interest Policy and Inventory are available on request.

This marketing communication is intended for all investors; however, the WisdomTree products described in this document and related materials may be restricted in certain jurisdictions and may only be available to particular categories of investors in accordance with applicable laws and regulations. Where a product is not authorised or its distribution is restricted in your jurisdiction, it is the responsibility of any person or entity in possession of this information to inform themselves of, and comply with, all relevant restrictions. Before making any investment, investors should seek appropriate legal, regulatory, tax and investment advice to assess the suitability and implications of investing in these products. Information about WisdomTree products is available at wisdomtree.eu. WisdomTree does not offer investment advice tailored to individual circumstances. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment.

An investment in exchange-traded products ("ETPs") is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks.

The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission

or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

This document may contain independent market commentary prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements.

This document contains a comparison of financial products contained within the relevant prospectus and/or based on publicly available information, some of which has been prepared by third parties.While such sources are believed to be accurate as at their date of publication, WisdomTree does not warrant, guarantee or otherwise confirm the accuracy or correctness of any information contained herein and any information or opinions related to the products detailed herein may change over time. Any third parties used to source the information in this document make no warranties or claims of any kind relating to such data. Investors should read the prospectus and other applicable offering documents for each product and consider the investment objectives, risks, charges and expenses carefully before investing.

This document contains a comparison of financial products contained within the relevant prospectus and/or based on publicly available information, some of which has been prepared by third parties. While such sources are believed to be accurate as at their date of publication, WisdomTree does not warrant, guarantee or otherwise confirm the accuracy or correctness of any information contained herein and any information or opinions related to the products detailed herein may change over time. Any third parties used to source the information in this document make no warranties or claims of any kind relating to such data. Investors should read the prospectus and other applicable offering documents for each product and consider the investment objectives, risks, charges and expenses carefully before investing.

WisdomTree Issuer ICAV

Certain funds referred to in this document are issued by WisdomTree Issuer ICAV (“WT Issuer”). WT Issuer is an open-ended, umbrella-type Irish Collective Asset-management Vehicle with segregated liability

between sub-funds and is authorised by the Central Bank of Ireland ("CBI") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Irish law. Each fund is represented by a separate class of shares (the "Shares") issued by WT Issuer.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer ("WT Prospectus"). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at www.wisdomtree.eu. Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the Shares.

The summary of investor rights associated with an investment in the fund is available in English on WisdomTree Europe's website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification.

For Investors in Brazil:

These Shares may not be offered or sold to the public in Brazil. Accordingly, the offering of the Shares has not been nor will be submitted to the Brazilian Securities Commission - CVM for approval. Documents relating to such offering, as well as the information contained herein and therein may not be supplied to the public, as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

This is a strictly privileged and confidential communication between WisdomTree and its selected client. This communication contains information addressed only to a specific individual and is not intended for distribution to, or use by, any person other than the named addressee. This communication (i) is provided for informational purposes only, (ii) should not be construed in any manner as any solicitation or offer to buy or sell any securities or any related financial instruments, and (iii) should not be construed in any manner as a public offer of any securities or any related financial instruments. If you are not the named addressee, you should not disseminate, distribute or copy this communication. Please notify the sender immediately if you have mistakenly received this communication.

For Investors in Chile:

Date of the offer: WisdomTree Issuer ICAV prospectus is dated 28th May 2026.

(i) This offer is made pursuant to Rule 336 issued by the Comisión para el Mercado Financiero of Chile (CMF);

(ii) This offer deals with securities that are not registered in the Securities Registry nor in the Foreign Securities Registry kept by the CMF, and that are, therefore, not subject to the supervision of the CMF;

(iii) Given that the securities are not registered, there is no obligation for the issuer to disclose in Chile public information about said securities; and

(iv) The securities may not be publicly offered as long as they are not registered in the corresponding Securities Registry.

Fecha de inicio de la oferta: WisdomTree Issuer ICAV prospecto está fechado 28 de mayo de 2026.

(i) La presente oferta se acoge a la Norma de Carácter General N° 336 de la Comisión para el Mercado Financiero (CMF) de Chile.

(ii) La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Comisión para el Mercado Financiero, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización;

(iii) Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores; y

(iv) Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

For Investors in Colombia:

This document does not have the purpose or the effect of initiating, directly or indirectly, the purchase of a product or the rendering of a service by the ETF's to Colombian residents. The ETF products and/or services may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign financial and/or securities related products or services in Colombia. Neither the ETF's nor any related person or entity has received authorization or licensing from the Financial Superintendency of Colombia or any other governmental authority in Colombia to market or sell the Shares within Colombia.

Colombian residents acknowledge that (1) the receipt of this document does not constitute a solicitation from the Fund for its products and/or services, and (2) they are not receiving from the Fund any direct or indirect promotion or marketing of financial products and/or services. This document is strictly private and confidential and may not be reproduced or used for any purpose other than evaluation of a potential investment in the Fund by the intended recipient or provided to any person or entity other than the intended recipient.

For Investors in Costa Rica:

This is an individual and private offer which is made in Costa Rica upon reliance on an exemption from registration before the General Superintendence of Securities ("SUGEVAL"), pursuant to article 6 of the Regulations on the Public Offering of Securities ("Reglamento sobre Oferta Pública de Valores"). This information is confidential, and is not to be reproduced or distributed to third parties as this is NOT a public offering of securities in Costa Rica.

The Shares being offered are not intended for the Costa Rican public or market and neither are registered or will be registered before the SUGEVAL, nor can be traded in the secondary market.

For Investors in El Salvador

This document has been produced for the purpose of providing information about the exchange traded products (ETPs). This document is made available on the condition that it is for the use only by the recipient and may not be passed on to any other person or be reproduced in any part. The ETPs have not been and will not be offered in the course of a public offering or of equivalent marketing in El Salvador and therefore, the provisions of the Stock Market Law of 1994 (Ley del Mercado de Valores) as amended, relating to registration requirements and to prospectus requirements do not apply. The ETPs have thus neither been registered for public distribution in El Salvador with the Stock Superintendency nor been the subject matter of a prospectus compliant with the Stock Market Law. Any subscription application by any person other than the initial recipient of the document will be rejected.

For Investors in Mexico:

The ETF's have not been, and will not be, registered under the Mexican Securities Market Law (Ley del Mercado de Valores) and may not be publicly offered or sold in the United Mexican States. This document relating to the ETF's Offering may not be distributed publicly in Mexico. Certain Shares of the Issuer are listed on the Bolsa Mexicana de Valores, S.A.B. de C.V. ("BMV") in pesos and trades can be initiated through a local broker. Please confirm with your brokers that you are allowed to trade the Shares.

For Investors in Panama:

These Shares have not been and will not be registered with the Superintendence of the Securities Market of Panama (Superintendencia del Mercado de Valores de la República de Panamá). Accordingly, (i) the Shares cannot be publicly offered or sold in Panama, except in transactions exempted from registration under the securities laws of Panama, (ii) the Superintendence of the Securities Market of Panama has not reviewed the information contained in this document, (iii) the Shares and the offering thereof are not subject to the supervision of the Superintendence of the Securities Market of Panama, and (iv) the Shares do not benefit from the tax incentives provided by Panamanian securities laws and regulations.

For Investors in Peru:

The Shares have not been and will not be approved by or registered with the Peruvian Superintendencia del Mercado de Valores (the "SMV"), the Lima Stock Exchange (the "BVL") or any other regulatory agency in Peru. Accordingly, the Shares may not be offered or sold in Peru or in any other jurisdic-

tion except in compliance with the securities laws thereof. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

For Investors in Uruguay:

Shares of the ETF's are not available publicly in Uruguay and are offered only on a basis which constitutes a private placement in Uruguay. As such, the Shares are not required to be, and will not be, registered with the Central Bank of Uruguay. The Shares correspond to an investment fund that is not an investment fund regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.

For US Offshore Investors:

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("the 1933 Act") or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person". The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act. Offering materials for the offering of the Shares have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

For Investors in Israel: Offering materials for the offering of the Shares and securities have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful. The products mentioned herein have not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 5728-1968 ("the Securities Law") or section 25 of the Joint Investment Trusts Law, 5754-1994 ("the Joint Investment Trusts Law "), as applicable. The products are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum ("the Addendum") to the Securities Law, "Sophisticated Investors") who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority.

This prospectus or this document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a product is purchasing such product for its own benefit and account and not with the aim or intention of distributing or offering such product to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock

Exchange, as defined in the Addendum, where such offeree is purchasing a product for another party which is a Sophisticated Investor).

Nothing in this document should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. A recipient of this document may be required to provide confirmation that it is a Sophisticated Investor purchasing a product for its own account or, where applicable, for other Sophisticated Investors.