

Company's Own Stock." The Company classifies the Private Warrants as a liability at their fair value subject to re-measurement at each balance sheet date and adjusted at each reporting period until exercised or expired, and any change in fair value is recognized in the Company's Consolidated Statements of Operations. The fair value of the Private Warrants as of December 31, 2021 was determined using the market price of the Company's public warrants adjusted for their lack of liquidity. Effective December 29, 2021 all public warrants were redeemed on a cashless basis and ceased trading on Nasdaq. As a result, the Black-Scholes option pricing model was adopted to determine the fair value of the Private Warrants. The following table represents the assumptions for the Black-Scholes option-pricing model used in determining the fair value of the Private Warrants as of December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Risk-free interest rate	3.84%	3.99%
Expected volatility of common stock	41.66%	42.44%
Dividend yield	-	-
Expected option term in years	2.0	3.0

The significant assumptions utilized in the Black-Scholes calculation consist of interest rate for U.S. Treasury Bonds, as published by the U.S. Federal Reserve, and expected volatility estimated using historical daily volatility of guideline public companies.

NOTE L - FINANCING ARRANGEMENTS

Outstanding debt obligations as of December 31, 2023 and 2022 consisted of the following (in thousands):

	December 31, 2023
\$180.0 million Wells Fargo Senior Secured Revolving Credit Facility	\$ 29,000
\$10.0 million Synovus Property and Equipment Revolving Term Loan	8,559
Total	37,559
Less current portion	(1,278)
Total long-term portion	\$ 36,281

At December 31, 2023 and 2022, total deferred financing costs were \$1.5 and \$0.5 million, respectively. Amortized debt issuance costs are recorded in interest expense through maturity of the related debt using the straight-line method, which approximates the effective interest method.

Amortization expense was as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Amortization expense	\$ 400	\$ 455	\$ 494

\$180.0 million Wells Fargo Senior Secured Revolving Credit Facility

On July 20, 2018, AerSale Inc. and other subsidiary borrowers entered in a secured amended and restated Revolving Credit Agreement (as amended, the "Revolving Credit Agreement"). The Revolving Credit Agreement provided for a \$110.0 million aggregate amount of revolver commitments subject to borrowing base limitations and a maturity date of July 20, 2021. The Revolving Credit Agreement included a \$10 million sub facility for letters of credit and for borrowings on same-day notice referred to as "swingline loans". The maximum amount of such commitments available at any time for borrowings and letters of credit is determined according to a borrowing base calculation equal to the sum of eligible inventory and eligible accounts receivable reduced by the aggregate amount, if any, of trade payables of the loan parties, as defined in the Revolving Credit Agreement. Extensions of credit under the Revolving Credit Agreement are available for working capital and general corporate purposes.