

Proceeds from and repayment of non-bank borrowings

In 2019 and 2018, the Group did not contract any non-bank borrowings, whereas repayments of non-bank borrowings were PLN 11.9m (2018: PLN 12.8m). These amounts are presented in the consolidated statement of cash flows as cash flows from financing activities under: [Repayment of non-bank borrowings](#).

22.3 Notes

In 2016, the SPV B8 Spółka z ograniczoną odpowiedzialnością Baltic S.K.A. (exploration and production segment) concluded agreements with Bank Gospodarstwa Krajowego S.A. (BGK) and Polski Fundusz Rozwoju S.A. (the Polish Development Fund, PFR) (Fundusz Inwestycji Infrastrukturalnych – Dłużny Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych) for the financing of the development of the B8 oil field in the Baltic Sea, including senior notes and subordinated notes programme agreements.

Security under the above agreements includes:

- pledges over shares,
- pledge over bank accounts,
- pledge over receivables,
- pledge over assets.

On July 25th 2018, B8 spółka z ograniczoną odpowiedzialnością Baltic S.K.A. and Bank Gospodarstwa Krajowego concluded an annex to the senior note programme agreement and annexes to the terms and conditions of the notes issued by the company and acquired by BGK. On July 27th 2018, B8 Spółka z ograniczoną odpowiedzialnością Baltic S.K.A. issued notes with a total nominal value of USD 30m. The issue proceeds were used to redeem all notes acquired by Polski Fundusz Rozwoju S.A. All the issued notes are due at dates falling in the period from September 30th 2020 to December 31st 2021. With respect to the currently outstanding notes of B8 Spółka z ograniczoną odpowiedzialnością Baltic S. K. A., as at December 31st 2019 the project schedule and budget were exceeded, and therefore the long-term portion of the liabilities under the agreement was presented in current liabilities. As at December 31st 2019, BGK did not accelerate the liabilities. In addition, negotiations with the bank to secure further financing are ongoing and are scheduled to be concluded in March 2020.

As at December 31st 2019, the liability under the outstanding notes issued by B8 Spółka z ograniczoną odpowiedzialnością Baltic S.K.A., net of issue costs, was PLN 231.8m (December 31st 2018: PLN 227.0m).

Proceeds from and payments under notes

In 2019, the Group did not issue or redeem any notes. In 2018, proceeds from notes issued by the Group were PLN 128.2m and comprised proceed from the issue of notes by the special purpose vehicle B8 Spółka z ograniczoną odpowiedzialnością Baltic S.K.A. In the same period, outflows on redemption of notes were PLN 214.8m and included note redemptions by: LOTOS Petrobaltic S.A. (PLN 113.8m) and B8 Spółka z ograniczoną odpowiedzialnością BALTIC S.K.A. (PLN 101.0m). These amounts are presented in the statement of cash flows as cash flows from financing activities under: [Issue of notes](#) and [Redemption of notes](#), respectively.

For sensitivity analysis of the notes with respect to currency and interest rate risks, see Notes 27.3.1 and 27.4.1, and for analysis of their contractual maturities see Note 27.5.

22.4 Lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	Dec 31 2019	Dec 31 2018	Dec 31 2019	Dec 31 2018
Up to 1 year	335.7	56.6	269.6	35.0
From 1 to 5 years	714.4	161.3	407.7	106.3
From 5 to 10 years.	381.4	43.1	209.0	38.7
From 10 to 30 years.	458.8	-	247.7	-
From 30 to 50 years.	233.2	-	49.4	-
From 50 to 90 years.	171.5	-	92.6	-
Total	2,295.0	261.0	1,276.0	180.0
Less finance costs	(1,019.0)	(81.0)	-	-
Present value of minimum lease payments	1,276.0	180.0	1,276.0	180.0
including:				
non-current			1,006.4	145.0
current			269.6	35.0

For sensitivity analysis of lease liabilities with respect to currency and interest rate risks, see Notes 27.3.1 and 27.4.1, and for analysis of their maturities, see Note 27.5.

22.4.1 Undisclosed liabilities under operating lease agreements

	Dec 31 2018
Up to 1 year	177.5
From 1 to 5 years	225.3
Over 5 years	969.2
Total	1,372.0

Upon adopting IFRS 16, the Group recognised lease liabilities related to agreements previously classified as operating leases in accordance with the requirements of IAS 17; see Note 4.