



CITGO 2020 Annual Report

Resilient Culture. Built to Succeed.



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CEO Message

2020 was a year like no other. It changed how we live and work as we battled the personal and economic effects of the pandemic throughout the year.

Like many industries, the refining industry was severely affected. Demand for crude, gasoline and jet fuel fell well below 2019 levels and remained there throughout the year. The one bright spot was distillate demand, which steadily improved since May 2020 and finished the year in line with 2019 levels. As a result of these trends, U.S. refinery utilization at year end remained approximately 12% below 2019 levels.

Against this economic backdrop, CITGO continued to make strong progress in optimizing operational performance, aggressively managing costs and building on strategic initiatives to strengthen corporate governance, compliance and business ethics. That said, the Company's results were heavily affected by these ongoing pandemic-driven market challenges affecting the entire refining sector – and the impact of two Gulf Coast hurricanes.

As a result of these factors, CITGO reported a net loss of approximately \$(667) million for the year. EBITDA¹ was approximately \$(328) million for the year. Adjusted EBITDA was approximately \$(432) million for the year.

Even with these losses, CITGO fared relatively well compared with some of our competitors. And the numbers certainly do not reflect the additional pressures and extra burdens carried by our employees last year, as they worked through the personal effects

of the pandemic-imposed changes. From transitioning to work-at-home, to childcare issues to countless virtual meetings, the year was full of change and challenge. And on top of these pandemic related challenges, our Lake Charles employees weathered two hurricanes, some suffering damages to their own homes. Needless to say, our employees endured a lot in 2020, and I am very proud of how they adapted and continued to support the Company. This response, like so many others, is yet another example of our collective resilience.

During the year, we processed an average of 638,000 barrels-per-day (bpd) of crude oil and other inputs, compared to 800,000 bpd during 2019. Our crude utilization capacity was only 72% in 2020 compared to 89% in 2019. The reduced capacity utilization was caused by two major issues: weakening product demand and the effects of two hurricanes that completely shut down the Lake Charles refinery from August 26 to October 3 and then again on October 6. The refinery was successfully restarted on October 19.

While adjusting to the challenging market environment and overcoming the effects of the hurricanes, the Company performed exceptionally well in both safety and environmental measures, achieving record results in both of these areas of focus. Specifically, in the area of occupational safety, 2020 represented our best performance over the last five years and also was the best year ever for process safety. Similarly, 2020 was the best year ever for our environmental performance after a record setting performance in 2019. The outstanding performance in these areas was also recognized externally, as CITGO received

¹ EBITDA and adjusted EBITDA are non-GAAP financial measures.

numerous awards and recognitions during the year from organizations such as AFPM (American Fuel & Petrochemical Manufacturers), API (American Petroleum Institute) and the EPA (Environmental Protection Agency).

These achievements are all the more meaningful, given they were achieved in such a challenging year. In 2020, we were forced to aggressively manage our costs. We estimate that 2020 cost savings efforts reduced annual operating expenditures and capital expenditures by approximately 11 % and 30 %, respectively, as compared to our original budget. Additionally, we successfully executed planned turnarounds within budget and planned timeline, taking advantage of the low margin environment. The Company also paid \$93 million in dividends to CITGO Holding, Inc.

By prudently managing our expenses and completing strategic financing transactions, we finished the year with a very strong liquidity position. This includes a two-year \$250 million accounts receivable secured financing arrangement that was completed in December.

During 2020, we continued working to improve our corporate governance and ethics platforms. Some items of note include: strengthening three key committees within the Board, revising and enhancing the Code of Conduct, relaunching the integrity hotline and initiating a “speak up” culture campaign. In the spirit of transparency and accountability, we detailed our environment, social and governance activities in our first ever ESG report, appropriately titled A Clear Direction Forward (which can be found on www.CITGO.com).

There were also several organizational changes during the year both at the Board level and the executive management team, including the addition of a new CFO and Vice President of Finance in the fourth quarter. We welcomed John Zuklic in November, who brings extensive operational and financial experience in the refining industry.

As we managed through the challenges we faced in 2020, we never lost focus on helping others through our corporate social responsibility programs. We clearly demonstrated our commitment during the year by actively supporting our four main focus areas - health, education, environment and disaster recovery - through contributions of over \$11 million, including to the Simon Bolivar Foundation, which continues doing critical work in addressing the humanitarian crisis in Venezuela.

Our executive team, employees and contractors endured many hardships during 2020 but their resilience and dedication allowed CITGO to maintain reliable and safe operations. At the same time, we focused on building a resilient organization, one that adapts to rapid and uncertain situations and finds a way to not only recover, but actually prosper.

Last year was extremely challenging on many levels. As we continue our efforts in 2021, there is renewed optimism for improving market conditions and with it, demand for our products. We believe we have taken the appropriate steps in 2020 to position CITGO to take advantage of these improvements when they finally do occur.



Carlos Jordá

*President and Chief Executive Officer
and Director CITGO Petroleum Corporation*



Vision

To be a world benchmark corporation based on our sound success in the energy industry and our social development programs.

Values

Safety, Health & Environment

We operate our businesses safely and as good stewards of the environment. If it is not safe, we will not do it. We will comply with environmental regulations and serve as guardians of our natural resources and environment. We recognize that safety, the health of our employees and environmental stewardship are every employee's responsibility.

Integrity

We are honest and open with each other, our customers and our stakeholders. We recognize that integrity in all that we do is essential to our long-term success.

Respect

We understand the value of people to our corporation's success. As such, we trust, respect and value the opinions of all employees, customers and stakeholders. This is critical to teamwork and collaborative efforts. We will work as a team, seamlessly and across departmental lines to achieve our corporate goals.

Fairness

We reward employees on the basis of their performance and contribution to the corporation. We recognize diversity as a key strength. We recognize the unique value of each employee and the varied perspective he or she provides. We foster an inclusive environment that enables each of us to fully participate and contribute.

Social Responsibility

We understand that we operate as a privilege in the communities where we serve, not as a right. We promote and participate in a wide variety of social development programs to improve the quality of life of people, especially those who feel the severe backlash of poverty. We also promote the spirit of volunteerism and encourage employees to take active roles in our communities.

Availability

We will ensure the availability of our operations by making sure work processes and equipment are always ready and capable of performing their assigned work. It is only by being available that we can continue to ensure the safety and health of our employees and our neighbors, the protection of our natural resources, the reliable supply of product to our customers and our commitment to social responsibility.

Competitiveness

We will be competitive through efficient and reliable operations, high quality products and superior customer service. We adopt best practices, seek innovation and share knowledge. We learn from our mistakes, from each other and from the best in our industry. We apply technology to our competitive advantage and are good stewards of our controllable costs.

2020 CITGO Highlights

110th Anniversary

For over a century, CITGO has earned a reputation as a reliable supplier of high-quality fuels and a dedicated, engaged, and charitable community partner.

Hurricane Recovery

Our Lake Charles, Louisiana Refinery again proved resilient through hurricanes Laura and Delta, and helped assist the local community in near- and long-term recovery efforts.

COVID-19 Response

Our Business Continuity and Health Services teams efficiently responded to the challenges posed by the pandemic, implementing safety protocols, operationalizing monitoring programs, and coordinating across our organization to ensure the health and safety of our employees, customers and partners.

Positioning for Long-Term Growth

After a uniquely challenging year where refiners faced serious operational and financial headwinds, CITGO is well positioned to emerge from the pandemic in a stronger position to make the most of improving market conditions and a recovering economy.

2020 Financial, Performance Highlights

2020 net loss of \$(667) million and adjusted EBITDA of \$(432) million.

Enhanced financial flexibility through a two-year, \$250 million accounts receivable securitization financing facility executed in December 2020.

Refinanced \$614 million outstanding under a Term Loan B due in 2021 with proceeds of a private offering of 7% senior secured notes due 2025 in June 2020. The notes offering was oversubscribed, allowing CITGO to upsize the offering to \$1.125 billion and provide additional liquidity.

Cost saving efforts reduced annual operating expenses and capital expenditures by approximately 11% and 30%, respectively.

Excellent safety and environmental performance; 2020 was our best occupational safety performance over the last five years and the best ever process safety and environmental performance (after record setting environmental performance in 2019).

In September 2020, we froze the salaried employees defined benefit plan effective January 1, 2021 which we estimate will result in an annual expense reduction of approximately \$40 million.

Successfully completed all planned annual turnarounds on time and within budget.



About Us

Who We Are/Our Story

CITGO Petroleum Corporation is a U.S.-based petroleum company with a rich heritage of more than 100 years. Headquartered in Houston, Texas, CITGO Petroleum Corporation is a recognized leader in the refining industry with a well-known brand. CITGO operates three refineries located in Corpus Christi, Texas; Lake Charles, Louisiana; and Lemont, Illinois, and wholly and/or jointly owns 42 terminals, six pipelines and three lubricants blending and packaging plants. CITGO transports and markets transportation fuels, lubricants, petrochemicals and other industrial products and supplies a network of approximately 4,500 locally owned and operated branded retail outlets, all located east of the Rocky Mountains. CITGO Petroleum Corporation is owned by CITGO Holding, Inc., whose ultimate owner is PDVSA, represented in the United States by the PDVSA Ad Hoc Board.

Our history as an American success story began in 1910, when Henry L. Doherty, a brilliant young entrepreneur and pioneer oilman, founded Cities Service Company in Oklahoma. Driven by a desire to improve the lives of everyday people, Doherty spent the next four decades growing Cities Service into a regional powerhouse, providing gas and electric utility services to the rapidly developing Midwest and becoming a wellspring of the oil and gas exploration, production, refining and marketing industries. From its founder's contribution to lighting the Statue of Liberty for the first time in 1916, to supplying fuel to U.S. forces during World War II, Cities Service built its foundation as a prominent fixture in the nation's oil and gas industry.

In 1965, Cities Service debuted its new marketing brand, CITGO; and the now familiar "trimark" logo. Retaining the first syllable of its long-standing name and ending with "GO," the brand symbolized energy and progressiveness.

Today, CITGO has cultivated a legacy of blending business with purpose, an identity that differentiates it from its industry peers. Our philanthropic DNA of helping improve people's lives is built on a solid foundation of history, vision and values – all of which



Providing the products that fuel everyday life

have stood the test of time. By blending business with purpose, there is balance between being a successful oil company, while giving back to our communities, demonstrating that after all this time, CITGO still specializes in "cities service."

What We Do

Refining

Each refinery has the capability to process large volumes of heavy crude oil into a varied and flexible slate of refined products that include light fuels and petrochemicals. These refineries are among the safest, most environmentally sound and sophisticated in the nation.



Lake Charles

The CITGO Lake Charles Manufacturing Complex is the fifth-largest refining facility in the United States and has gained a reputation as one of the safest facilities in our industry. The CITGO Lake Charles Manufacturing Complex celebrated 76 years of operations in 2020.

ANNUAL ECONOMIC & COMMUNITY IMPACT

Employment

CITGO Employees & Contractors	1,800*
Total Economic Impact on Lake Charles	\$597.3 Million**
Funds spent or donated to community organizations over the last 3 years	over 10 Million

PLANT DETAILS

Geographic Size	2000 Acres
Number of Ship Channel Docks	4
Number of Waste Water Treatment Plants	1
Production Capacity (gasoline)	8.8 Million gpd (on average)
Crude Capacity	425,000 bpd (on average)

*average number of employees and contractors over a 3 year period

**based on a 3 year average

PRODUCTS PRODUCED

- ▶ Liquid Petroleum Gas
- ▶ Butane
- ▶ Gasoline
- ▶ Premium Gasoline
- ▶ High Octane Blendstocks
- ▶ Jet Fuel
- ▶ Ultra Low Sulfur Diesel
- ▶ Benzene
- ▶ Toluene
- ▶ Xylene
- ▶ Propylene
- ▶ Sulfur
- ▶ Petroleum Coke

INDUSTRIES SERVED

- ▶ Retail and Commercial Fuel
- ▶ Aviation Fuel
- ▶ Petrochemical
- ▶ Industrial Fuels
- ▶ Cooking and Camping Fuels
- ▶ Heating and Lighting Fuels



Lemont

The CITGO Lemont Refinery has a long history of supporting the needs of the upper Midwest and is proud of its 10-year record as one of the safest complex refineries in the country. The CITGO Lemont Refinery celebrated 94 years of operations in 2020.

ANNUAL ECONOMIC & COMMUNITY IMPACT

Employment

CITGO Employees & Contractors	Over 1,050*
Total Economic Impact on Lemont and General Vicinity	\$540 Million**
Funds spent or Donated to Community Organizations over the last 3 years	\$1.8 Million

PLANT DETAILS

Geographic Size	1,100 Acres
Number of Ship Channel Docks	1
Number of Waste Water Treatment Plants	1
Production Capacity (gasoline)	4 Million gpd (on average)
Crude Capacity	177,000 bpd (on average)

PRODUCTS PRODUCED

- ▶ Liquid Petroleum Gas
- ▶ Butane
- ▶ Gasoline
- ▶ Premium Gasoline
- ▶ Kerosene
- ▶ Jet Fuel
- ▶ Ultra Low Sulfur Diesel
- ▶ Benzene
- ▶ Toluene
- ▶ Xylene
- ▶ High Value Industrial Solvents
- ▶ Carbon Black
- ▶ Sulfur
- ▶ Petroleum Coke

INDUSTRIES SERVED

- ▶ Retail and Commercial Fuel
- ▶ Aviation Fuel
- ▶ Petrochemical
- ▶ Industrial Fuels
- ▶ Cooking and Camping Fuels
- ▶ Heating and Lighting Fuels

*average number of employees and contractors over a 3 year period

**based on a 3 year average



Corpus Christi

As a winner of numerous safety achievement awards, the CITGO Corpus Christi Refinery is one of the most sophisticated and efficient fuel and petrochemical refineries in the nation. The CITGO Corpus Christi Refinery celebrated 85 years of operations in 2020.

ANNUAL ECONOMIC & COMMUNITY IMPACT

Employment

CITGO Employees & Contractors	Over 1,050*
Total Economic Impact on Corpus Christi	\$345 Million**
Funds spent or Donated to Community Organizations over the last 3 years	\$1.8 Million

PLANT DETAILS

Geographic Size

East Plant	335 Acres
West Plant	230 Acres
Storage & Terminals	325 Acres
Total	890 Acres
Number of Ship Channel Docks	8
Number of Waste Water Treatment Plants	2
Production Capacity (gasoline)	4.2 Million gpd (on average)
Crude Capacity	167,000 bpd (on average)

PRODUCTS PRODUCED

- ▶ Liquid Petroleum Gas
- ▶ Butane
- ▶ Gasoline
- ▶ Premium Gasoline
- ▶ High Octane Blendstocks
- ▶ Ultra Low Sulfur Diesel
- ▶ Toluene
- ▶ Xylene
- ▶ Cyclohexane
- ▶ Cumene
- ▶ Sulfur
- ▶ Petroleum Coke

INDUSTRIES SERVED

- ▶ Retail and Commercial Fuel
- ▶ Petrochemical
- ▶ Industrial Fuels
- ▶ Carbon Graphite
- ▶ Cooking and Camping Fuels
- ▶ Heating and Lighting Fuels

*average number of employees and contractors over a 3 year period

**based on a 3 year average

Terminals and Pipelines

Our extensive network of petroleum product terminals and pipelines is among the largest in the nation, consisting of 42 wholly and/or jointly owned terminals and six pipelines. This network offers the flexibility to store and distribute products to our customers throughout the United States.

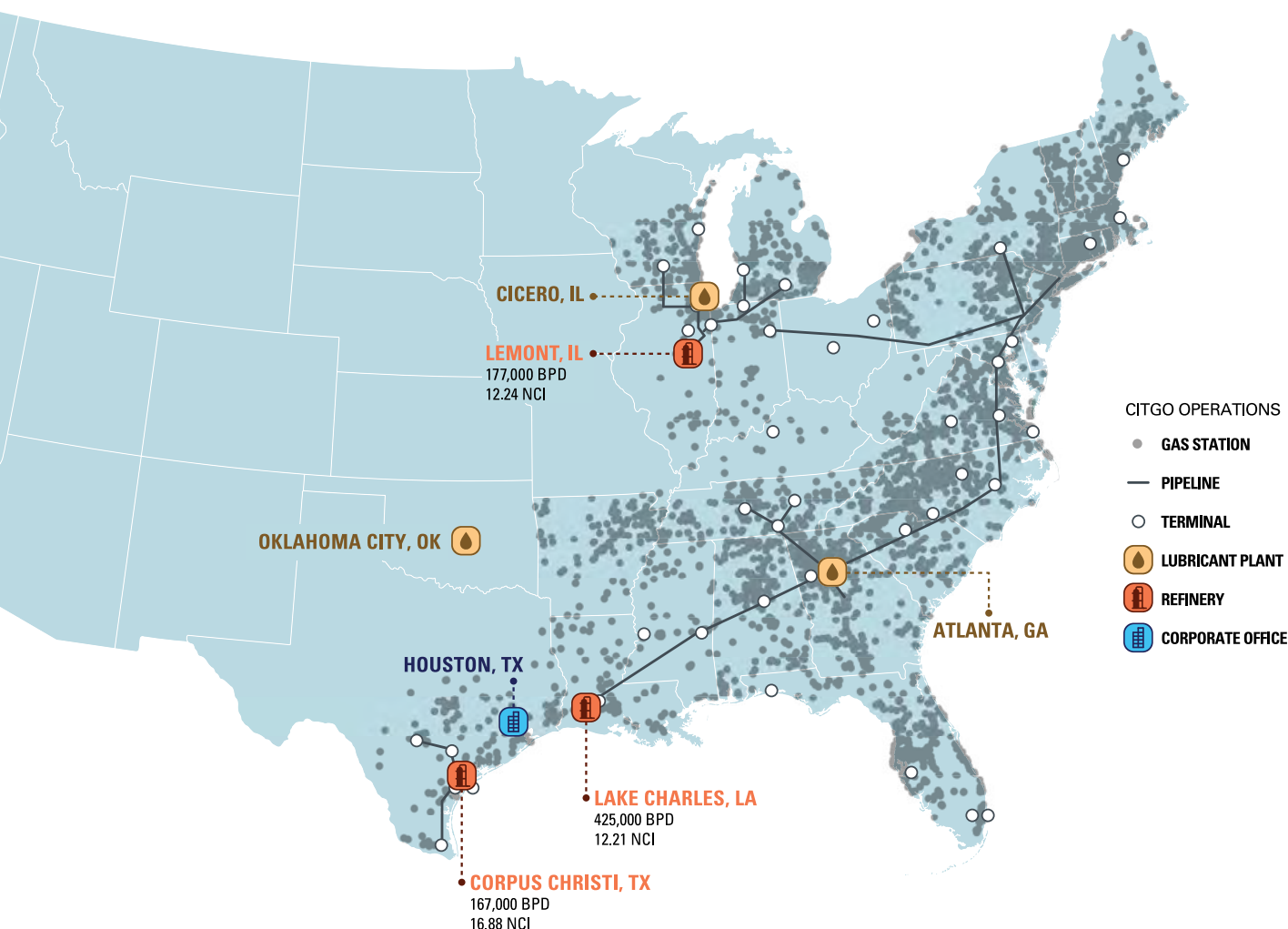
Lubricants

Lubricants and oils are blended and packaged in plants located across the country. An extensive line of finished agricultural, automotive, industrial and private label lubricants, oils and greases provide products for consumer, commercial and industrial customers. Lubricant products are marketed under the CITGO, Mystik® and Clarion® brands with more than 2,200 individual formulations. Lubricant

products are sold throughout the United States and in 41 countries around the world.

Supply and Marketing

We market TOP TIER™ CITGO TriCLEAN® gasoline and unbranded commercial fuels to independent marketers who consistently rate CITGO as one of the best branded supplier companies in the industry. CITGO branded marketers sell motor fuels through approximately 4,500 independently owned, branded retail outlets.





Safety, Health and Environment: Our Number One Value



Protecting our people – and our environment

A healthy, present workforce is vital to our ability to retain talent and maintain the success of our company. We seek to do everything that we can to ensure that they go home to their families injury-free.

Similarly, we are committed to protecting the environment we all share for today and generations to come, so CITGO makes safeguarding the environmental health of communities where we are privileged to work a top priority.

The work we do involves handling complex equipment and hazardous materials. These challenges make safety a vital imperative for everyone who works at our sites. Management commitment and employee empowerment are the cornerstones of our safety philosophy: **An incident-free workplace is achievable and expected.**

If an emergency happens at one of our facilities, CITGO employees are ready to gain control over

the situation and remedy it. We make emergency preparation a regular practice to mitigate impacts to our team, our assets, the environment and our neighbors.

2020 was an outstanding year for safety performance at CITGO, and we were honored to receive a number of industry awards for safety. Our environmental performance was similarly excellent, with 2020 marking our best-ever year for environmental performance after a record-setting performance in 2019. We are particularly proud of environmental performance this year at our Lake Charles refinery, which endured two hurricanes without environmental incident or hydrocarbon releases.

An Award-Winning Year

AWO Award

The American Waterways Operators' Tankering & Barge Operations Subcommittee presented the Lake Charles Marine Department and facility with AWO's inaugural safety award. The award is recognition of its industry-leading commitment to workplace safety, demonstrated by its requirement that the dock operator be present while someone is transiting the gangway from the facility to a vessel. The award was presented virtually to accommodate COVID-19 safety precautions in place at CITGO and across the tugboat, towboat and barge industry.



API Award

The American Petroleum Institute awarded CITGO with their 2019 Distinguished Pipeline Safety Award. The recipient is chosen by their peers for demonstrated excellence in safety practice, ideas, and policy. CITGO received the award for distinguished safety in the small operator category.

AFPM Award

The American Fuel and Petrochemical Manufacturers (AFPM) awarded the Lemont refinery with its Elite Gold Safety Award. This award recognizes member sites that have demonstrated superior safety performance along with innovation and leadership excellence in managing safety programs. Achieving the AFPM Elite Gold Safety Award requires strong safety procedures, sound work practices and successful training and mentoring programs. The Elite Gold Award places the Lemont refinery in the nation's top four performing sites—the top 1%.



ILTA Award

This year, CITGO received two prestigious awards for safety from the International Liquid Terminals Association. We are proud to be a recipient of the ILTA 2020 Platinum Safety Award for best-in-class safety excellence and the ILTA's Five-Year Safety Milestone Award for sustained excellence in terminal safety.



These awards show our sustained dedication to safety excellence over many years.

Other Safety Awards

Additional safety recognitions included the Union Pacific Railroad Pinnacle Award for Chemical Transportation Safety and the BSNF Railroad Product Stewardship Award. Both awards honor shippers of hazardous chemical materials who demonstrate safe loading and transportation techniques and achieve zero non-accident releases (NARs).



The CITGO Commitment to ESG

ESG: A Clear Direction Forward

CITGO is committed to refining and distributing the high-quality fuels we depend on every day. In addition to contributing to economic prosperity and improved quality of life through our operations, we seek to:

- ▶ Keep our people safe and help them to thrive financially and professionally in their individual careers
- ▶ Treat compliance with environmental regulations as the minimum requirement, surpassing requirements where possible
- ▶ Promote and participate in a wide variety of volunteer and fundraising programs focused on bettering the lives of people in our surrounding

communities—especially those who feel the backlash of poverty, illness and natural disasters—and furthering the education of future generations of leaders in the refining and petrochemical industry

This is what our Fueling Good philosophy and ESG approach are all about. In fact, these concepts of caring are enshrined within our company's core values and evident throughout our business life cycle. We recognize that it is a privilege to operate where we do, not a right, and we embrace our responsibility to blend business with a broader purpose and cultivate a positive legacy.



Environment

Climate change and greenhouse gas emissions
Energy Use
Water consumption and reuse
Effluents, waste and recycling
Biodiversity and conservation
Monitoring and emissions reductions

Social

People

Recruitment and retention
Occupational health and safety
Employment benefits, health and wellness
Training and education
Diversity, inclusion and equal opportunity

Communities

Local community engagement, giving and volunteerism
Emergency preparedness and disaster recovery

Governance

Values and ethics
Anti-corruption
ESG Governance
Diversity at the top
Data privacy and security
Regulatory compliance
Financial performance
Economic development in local communities
Social Investment
Supplier responsibility and diversity
Excellence, awards and recognition

Governance/compliance/ethics

Governance

One of the main responsibilities of management is to ensure that CITGO operates under the highest levels of integrity and adopts industry-leading practices in everything we do. To this end, the Boards of Directors give priority to strong corporate governance, which is fundamental to our other objectives of operational and financial stability.

The Boards of Directors have taken various significant actions in the past year, including:

- ▶ Appointment of Edgar Rincón as Executive Vice President and Chief Operating Officer.
- ▶ Election of Pablo Perez replacing Angel Olmeta, and Marcelo Laprea-Bigott replacing Luis Urdaneta as Board members of CITGO bringing additional financial, audit, and technical expertise and experience.
- ▶ Review of the duties and rights of Board members and establishing protocols on how to interact among CITGO Entities Board of Directors.
- ▶ Strengthening three key committees of the Board: (i) Audit; (ii) Commercial; and (iii) Compensation.
- ▶ Appointment of the first Compliance and Ethics Officer in the history of CITGO.
- ▶ Revising and enhancing the Code of Conduct in 2020. The Code of Conduct will be launched on CITGO.com during the first half of 2021.
- ▶ Further enhancement of the previously established six compliance and ethics teams.
- ▶ Relaunch of the Integrity hotline and developed an open reporting policy and formed a new high level corporate Investigations Committee.
- ▶ Compliance also initiated a broad Speak-up Culture campaign that was designed to educate employees on the many ways they can conveniently and safely report any concerns at CITGO and to assure employees that their reported concerns will be heard and acted upon promptly.

- ▶ CITGO also issued its first Environmental Social and Governance Report. (<https://www.CITGO.com/files/esgreports/2019-CITGO-esg-report.aspx>)

Environmental Stewardship

We take the concerns of our stakeholders and nearby communities seriously, and are resolved to do our part to minimize the byproducts of our operations. CITGO consistently evaluates ways to improve efficiency, generate less waste, consume fewer resources, reduce hydrocarbon releases and air emissions, and mitigate identified risks. We expect each of our employees to embrace this responsibility as well.

Our Commitment to Combating Climate Change

Our commitment to environmental protection extends to the global community.

Based on overwhelming scientific consensus, CITGO recognizes that human activities, including the burning of fossil fuels, contribute to increased levels of greenhouse gases (GHG) in the Earth's atmosphere. These activities play a significant role in the complex dynamics that result in global climate change.

Looking to the future, CITGO will continue to take a leadership role as a responsible and environmentally conscientious steward of our planet's natural resources.

We will continue to identify measures to minimize adverse effects of our operations on the environment. By applying sound sustainability principles, CITGO will contribute to a brighter, more secure future.

Social: People and Communities

Valuing Our People

Our employees are vital to our ability to manage operations and are integral to our leadership in the industry. Without a skilled and dedicated workforce,

we could not deliver the high-quality products for which we are known. This is why we place the highest value on our people and their future with us, and invest so much in their career success and personal satisfaction.

Advancing Diversity in Leadership

At CITGO, we value diversity. We believe that a broad range of expertise and perspectives are vital to advancing our company's vision and achieving success. We will continue to place individuals who have been typically underrepresented in our industry into leadership positions, where their experience and knowledge can help to shape the future.

Caring for Our Communities

Throughout this difficult year, CITGO remained committed to its values by supporting charitable organizations throughout the year that align with its four corporate social responsibility focus areas: health; disaster relief and resilience; education; and environment.

Health

The company's health-related initiatives are concentrated primarily in the Simón Bolívar Foundation (SBF), which realigned its mission in 2019 to assist a much broader group of people in need. In 2020, SBF continued with its existing grants program designed to help mitigate the humanitarian crisis in Venezuela, which is being made all the worse by the ongoing effects of COVID-19. Its medium/large grants were designated for nutrition and health programs, while the Hoy Invita Simón program continued assisting the Venezuelan diaspora in the United States by partnering with restaurants to provide food to Venezuelan people affected by COVID-19.

Disaster Relief and Resilience

In the area of disaster relief and resilience, we completed our three-year commitment to the Rebuilding Lives program with the final \$1 million donation to Rebuilding Together Houston in the fourth quarter of this year. Launched in the aftermath of Hurricane Harvey, program funds were used to

rebuild more than 200 homes located primarily in the Independence Heights community in Houston, Texas, where TeamCITGO volunteers remained actively engaged with volunteer hours.

In the aftermath of Hurricanes Laura and Delta, CITGO reestablished an Employee Assistance Fund with the immediate intention of supporting those employees who were directly affected by these two storms. The Company contributed \$100,000 to the fund and employees made additional contributions which were matched by CITGO. Known as Employees helping Employees, this fund will be available for similar use in the future in the event that our employees are affected by other types of disasters.

Education

We actively promoted STEM programming through grants, which supported student scholarships and a variety of programs and resources that stimulate interest and retention within the 11 CITGO Innovation Academies located in Corpus Christi and Houston, Texas; Lemont, Illinois, and Lake Charles, Louisiana.

Environment

Our Caring For Our Coast program further supported 11 different environmental organizations in their Lemont and Gulf Coast restoration activities. We also made sizeable donations to the United Way, Houston Food Bank, Muscular Dystrophy Association and Second Harvest Food Bank, to name a few.

Considering all programs in the four focus areas during 2020, CITGO made over \$11 million in cash contributions in 2020, supporting the Company's corporate programs in the United States and in Venezuela. Whether helping people in the United States or people in Venezuela, CITGO brings its values to life by actively supporting these key programs in good times and bad.



Simón Bolívar Foundation:

A helping hand mitigating the impact of the humanitarian crisis on the health of the most vulnerable in Venezuela



About the Foundation

Established in 2006, the Simón Bolívar Foundation (SBF) is the 501(c)(3) nonprofit, private foundation of CITGO. Its original mandate was to help patients with complex medical problems and diseases—particularly mothers and children in Venezuela—access and pay for care along with the associated travel, lodging and family expenses. In 2019, the SBF awarded nearly \$4 million in individual medical grants to 48 patients on average through the year.

In Mid-2019, foundation leadership reevaluated the SBF mission to determine how the organization could have a larger impact on vulnerable Venezuelans in light of the ongoing humanitarian crisis. Now, the SBF has broadened its scope and instead invests in existing resources and organizations that are best equipped to meet the immediate and long-term health needs of a greater number of individuals—with a continued commitment to mothers and children.

New Objectives:

- ▶ Increase access to medicine, nutrition and healthcare for vulnerable and low-income people.
- ▶ Improve the capacity of medical professionals and caregivers through education and support so they can best care for and treat patients.
- ▶ Empower organizations to meet the health needs of the most vulnerable people in their communities.

For the Foundation, 2020 was a very important year as we implemented the Foundation's new vision approved by the Board of Directors in January 2020: "access to basic health care is a valued human right" not just for a few but for many. Soon after the COVID-19 was declared a pandemic and brought the opportunity to jump into grant making to help mitigate its effects in Venezuela, a country that before the pandemic was already experiencing the largest underfunded humanitarian crisis in the west hemisphere.

In 2020 the Foundation was able to:

- ▶ Launch five grant making rounds that awarded almost \$3 million to over 45 organizations.
- ▶ Review more than 70 organizations that presented projects to help with Venezuela's humanitarian crisis.
- ▶ Provide training to our grantees on grantmaking processes and humanitarian health
- ▶ Raised awareness about the humanitarian crisis in Venezuela, and provide knowledge-transfer opportunities to support capacity building through six webinars.
- ▶ In 2020, the SBF remained focused on improving its internal governance and processes. The Foundation added Ethics and Compliance and Operations committees; developed a robust legal and compliance process for grantmaking; and trained Foundation Board members, Officers and team in fiduciary obligations, legal compliance, and grant-making. Consistent with its mission to help build NGO capacity, the Foundation provided training to grantees serving those in need in Venezuela. In 2020, the SBF underwent an internal governance and compliance audit, including a review of individual patient grants and the Small Grants COVID-19 Program. Findings will improve future grant making activities.



Persevering Through Adversity

Responding with Resilience to COVID-19, Hurricanes

The unprecedented demand destruction over the course of the year required us to continually assess operations and our financial position, while continuing our unwavering focus on safety and reliability.

Our outstanding safety and environmental performance shone clearly when the CITGO Lake Charles refinery and terminal was struck by two powerful hurricanes, first Laura in the third quarter and then Delta in the fourth quarter. In both instances, Lake Charles was safely shut down and the refinery did not experience any safety issues nor hydrocarbon releases. Lake Charles employees completed a safe, second start up in late October.

We also completed two major, planned turnarounds during 2020 at the Lemont and Lake Charles refineries, under strict health protocols due to COVID-19. Both turnarounds were safely executed, under budget and completed as scheduled.

Our executive team, employees, contractors and communities endured many hardships during 2020, but their resilience and dedication allowed CITGO to maintain reliable and safe operations. We believe this strong foundation will help us continue to achieve operational excellence for years to come.

In 2020, our performance was outstanding in occupational and process safety with our best occupational safety index in the last five years.

CITGO also had our best ever environmental performance for two years in a row.

Unprecedented Impact of COVID-19

COVID-19 and its development into a pandemic in March 2020 created significant economic disruption throughout the year, with full-year real GDP growth expected to contract by 3.5% relative to the previous year. The refining industry realized the worst of the crisis in the second quarter, as product demand and refinery utilization reached their lowest points. While recovery has been bumpy, market conditions showed some improvements in the latter part of the year, as the number of new cases declined, some restrictions eased and vaccines emerged on the horizon. Changes in key drivers during the year include the following:

- ▶ **Oil demand** declined from more than 102 million bpd in December 2019 to about 96 million bpd by the end of the year. In 2021, oil demand is expected to improve, assuming efficient production and deployment of COVID-19 vaccines.
- ▶ **Gasoline demand** in the United States is approximately 0.9–1 million bpd below 2019 levels and has been there since July, reflecting ongoing reductions in “in person” school attendance, business travel and social events.
- ▶ **Distillate demand**, which was the least impacted by the pandemic, continued to improve since May, and the year ended with demand very similar to 2019.
- ▶ **Jet fuel demand** at year end remains 32% below the 2019 level and its recovery is dependent on increased air travel resulting from improved consumer confidence in travel.
- ▶ **Refinery utilization** in the United States remained approximately 12% below 2019 levels at year-end. With expected improvements in demand, CITGO expects utilization in 2021 to be about 5–7% below the historical seasonal range of 85–95%.



CITGO Response to COVID-19

Meeting the challenges of COVID-19 required a holistic, coordinated response managed by health services and the business continuity team. The CITGO health services team took center stage, monitoring, interpreting and implementing federal, state and local public health policies, while the business continuity team monitored developments and implemented protocols designed to reduce employee health risks.

Employees successfully worked from home for eight months, mastering new technologies, virtual meetings and adjusted workflows. Large internal and external meetings were quickly and seamlessly transformed from an in-person format to a virtual one. And when employees returned to their offices on a rotating schedule, the Company had installed several protective measures to maintain social distance and overall safety for everyone.

With these strict COVID-19 protocols in place, the Company was able to complete two major, planned turnarounds at the Lemont and Lake Charles refineries, both of which were safely executed, under budget and completed as scheduled.

Hurricanes Pose Added Challenge

2020 was a challenging year for our Lake Charles refinery and terminal due to Hurricanes Laura and Delta, both of which disrupted operations and caused damage to CITGO facilities and neighboring communities. Following established safety procedures, CITGO team members were able to safely shut down, secure and restart operations twice without incident.

Protecting our most valuable asset

While the hardware, physical plant and terminal at Lake Charles are important CITGO assets, nothing is as valuable as our people and their safety. Thankfully, our employees managed safety through the two hurricanes that were only six weeks apart. Unfortunately, many suffered damage to their homes. In the immediate aftermath of Laura, we

helped more than 300 employees obtain tarps for their homes and fuel for their tanks.

To further support their recovery, CITGO provided loans and grants for the affected employees and established the CITGO Stands Together Fund to receive additional contributions from employees who wished to help their fellow employees rebuild. CITGO matched employee donations to the fund 2:1 with the help of the Tulsa Community Foundation.

Leading the way in rebuilding our community

CITGO also helped the larger Lake Charles community recover, both in the immediate aftermath and for the longer term. As the storm approached, we made arrangements to provide fuel to emergency responders and hospitals as soon as Hurricane Laura passed. As the clean-up began, we provided nearly 1,900 meals to first responders, the Calcasieu Parish Sheriff's Department and the Louisiana National Guard. Together with the United Way of Southwest Louisiana and Second Harvest Food Bank of Greater New Orleans and Acadiana, our Team CITGO volunteers helped with a drive-through food distribution event.

Our local marketers joined the effort as well in the wake of Laura. Partnering with marketer BreauX Petroleum, CITGO provided Mystik Bar & Chain Lubricant and Mystik JT-4® Lawn & Garden 2-Cycle Engine Oil for local fire departments and the Cajun Navy, a Louisiana-based volunteer rescue recovery organization. These vital lubricants were used for chainsaws, trimmers and blowers for local utility and tree service companies providing critical support for the recovery effort.



Selected Financials

Financial Results

2020 Financial Results

We experienced a net loss of approximately \$(667) million in 2020, compared to net income of approximately \$246 million in 2019. After adjusting for special items, adjusted EBITDA was \$(432) million compared to \$1,176 million for the prior year. These declines were driven by the economic effects of the COVID-19 pandemic, which affected the refining industry as a whole. Industry margins saw a decline of over 50% year over year which significantly impacted results. In addition, 2020 set a record with the highest number of named storms, with Hurricanes Laura and Delta exacerbating negative financial results in the second half of the year.

RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA

(unaudited, in millions of U.S. dollars)

	Year Ended	
	12/31/20	12/31/19
Net income (loss)	(667)	246
Plus (less)		
Interest expense, including finance lease	207	185
Income tax expense (benefit)	(482)	78
Depreciation and amortization	628	608
Amortization of loan origination fees in interest expense	(14)	(12)
EBITDA	(328)	1,105
Plus (less)		
Insurance litigation recovery - Athos	(183)	(21)
Litigation recovery - credit card interchange fees	(19)	—
LIFO inventory permanent dip impact	57	(31)
Hurricane Laura expenses, net of insurance recoveries	29	—
Charitable contributions	9	5
Loss on early extinguishment of debt	3	1
Gerd inventory impairment	—	60
PDVIC insurance recovery impairment	—	30
Litigation judgement - 303 hydraulic fluid	—	24
Property impairments and loss on retirement of assets	—	3
Adjusted EBITDA	(432)	1,176

The primary items affecting adjusted EBITDA during 2020 and 2019 were:

- Insurance litigation recovery—Athos (2020 and 2019): Recovered approximately \$183 million in 2020 and \$21 million in 2019 in insurance proceeds from the previously incurred costs related to a shipping incident in 2004.
- Litigation recovery credit card interchange fees (2020): Proceeds received from legal settlements.

- LIFO permanent dip (2020 and 2019): Recorded approximately \$57 million loss in 2020 as a result of a reduction of prior years' LIFO layers. Recorded approximately \$31 million gain in 2019 as a result of a reduction of prior years' LIFO layers.
- Hurricane Laura expenses (2020): Incurred approximately \$58 million in repair costs, of which approximately \$29 million were recovered through insurance. Expect to incur additional costs, net of any insurance recoveries into 2021.

- Gerd inventory impairment (2019): represents a \$60 million inventory write-down due to an unlawful and forceful taking in Venezuelan waters of that amount of crude oil owned by the Company aboard the tanker Gerd Knutsen on February 9, 2020 and the tanker's failure to depart Venezuelan waters for approximately one year despite the company's instruction to depart.
- PDVIC insurance recovery impairment (2019): represents a \$30 million write off of insurance

receivables related to the 2006 heavy rain even at the Lake Charles refinery for coverage placed through PDVIC, an insurance entity controlled by PDVSA in Venezuela forced into liquidation in 2018.

- Litigation judgment – 303 hydraulic fluid (2019): Represents a \$24 million charge representing the Company's share of industry-wide class action settlements related to tractor hydraulic fluids litigation.

Operational Results

2020 Refinery Throughput

Total 2020 refinery throughput was 638,000 bpd, a 20% decline compared to prior year. This resulted in an approximately 17% reduction of our crude utilization capacity, from 89% in 2019 to 72% in 2020. Current year refinery throughput was impacted by narrow refining margins due to the pandemic; two major turnarounds in Lake Charles and Lemont and the Lake Charles refinery extended shutdowns due to the hurricanes Laura and Delta. Despite these factors, we maximized U.S. light crude runs at Lake Charles and Corpus Christi refineries which helped to minimize the effects of the narrow light-heavy crude differentials.

TOTAL REFINERY YIELD

(thousands barrels per day)

	Year Ended	
	12/31/20	12/31/19
Rated Refining Crude Capacity:	769	769
Refinery Input:		
Crude Oil	554	688
Other feedstocks	84	112
Total	638	800
Product Yield:		
Light Fuels	535	675
Petrochemicals	42	51
Industrial Products	61	74
Total	638	800
Utilization of rated crude refining capacity:	72%	89%
Lake Charles utilization	60%	91%
Corpus Christi utilization	90%	78%
Lemont utilization	83%	97%

Capital Investment & Operating Expenditures

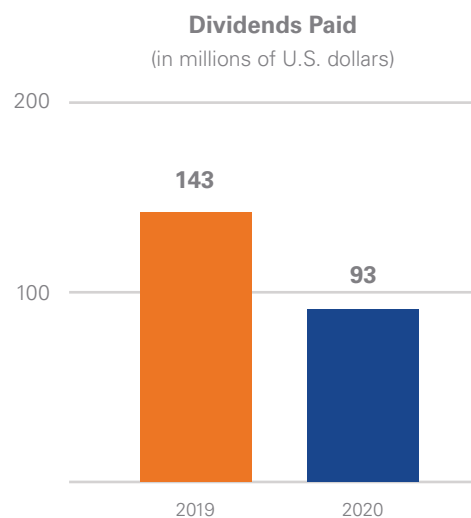
During the year ended December 31, 2020, we invested \$183 million in capital activities and spent approximately \$331 million on turnaround and catalyst costs. Our 2020 cost saving efforts reduced annual operating expenses and capital expenditures by approximately 11% and 30%, respectively, as compared to our original budget. We successfully executed planned turnarounds within budget and planned timeline, taking advantage of the low margin environment.

Our main categories of capital expenditures against budget (in millions of U.S. dollars) were:

	BUDGET	ACTUAL
	2020 Original	2020
RESRM ²	\$80	\$55
Maintenance	\$145	\$97
Strategic	\$37	\$31
Total Capital Expenditure	\$262	\$183
Total Turnaround and Catalyst	\$336	\$331

Dividends

In 2020, we paid \$93 million in dividends to CITGO Holding, Inc., as compared to \$143 million paid during 2019.



2 Represent Regulatory/Environmental/Safety/Risk Mitigation costs.



Board of Directors and Leadership

Board of Directors



Jose Ramón Pocaterra
Chairman of the Board



Carlos E. Jordá



Pablo Perez Barreiro



Fernando Vera
Board Secretary



Luisa Palacios



Andres Eloy Padilla



Marcelo Laprea-Bigott

Leadership Team



Carlos E. Jordá
*Chief Executive Officer
& President*



Edgar Rincón
*Chief Operating
Officer & Executive
Vice President*



John Zuklic
*Chief Financial Officer
& Vice President Finance*



Jack Lynch
*Vice President of Legal
& Government Affairs
and Chief Compliance
& Ethics Officer*

Art Klein
*Vice President
of Refining*

Dennis Willig
*Vice President
& General Manager,
Lemont Refinery*

Karl Schmidt
*Vice President,
Supply & Marketing*

Bob Shoemaker
Chief Accounting Officer

Jerry Dunn
*Vice President
& General Manager,
Lake Charles Refinery*

James Cristman
*Vice President
& General Manager,
Corpus Christi Refinery*

Gina Coon
Corporate Treasurer

Chrysti Ziegler
General Auditor



General Information

General Information

General:

We publish financial and other information on our website, including reports of our quarterly and annual results of operations and financial position. While our historical financial information is presented in accordance with U.S. generally accepted accounting principles ("GAAP"), except for certain non-GAAP financial measures (see below), we are not an SEC reporting company and do not report all information required of SEC reporting companies.

Forward-Looking Statements:

This report contains "forward-looking statements" regarding financial and operating items relating to the CITGO business. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by these forward-looking statements. This report may also contain estimates and projections regarding market and industry data that were obtained from internal company estimates as well as third-party sources believed to be generally reliable. However, market data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey, interpretation or presentation of market data and management's estimates and projections. The forward-looking statements contained in this report are made only as of the date of this report. We disclaim any duty to update any forward-looking statements.

Non-GAAP Financial Measures:

This report also contains operational metrics and non-GAAP information, including EBITDA and Adjusted EBITDA, that have not been audited and are based on management's estimates, which may be difficult to verify. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP and may differ from non-GAAP measures used by other companies in our industry. We consider these non-GAAP financial measures to be important because they provide useful measures of the operating performance of the Company, exclusive of unusual events, as well as factors that do not directly affect what we consider to be our core operating performance. These non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP. Please see the reconciliation of EBITDA and Adjusted EBITDA to the most directly comparable GAAP measure set forth on page 30 of this report.

Refinery EBITDA Estimates:

The estimates of Refinery EBITDA presented in this report are calculated as refinery hydrocarbon gross margin minus refinery operating expenses and non-operating and income/(expense) items, plus depreciation and amortization. Our estimates of Refinery EBITDA are intended as estimates of our refineries' earnings before taxes and interest and depreciation and amortization. Shown in the table on page 39 is a reconciliation of our estimates of Refinery of EBITDA (on an individual and total refinery basis) to EBITDA for our consolidated operations for the respective periods presented therein. In addition, we summarize below the methodologies and assumptions we utilize in connection with our estimates of the various components of Refinery EBITDA.

With respect to these components of Refinery EBITDA, we define refinery hydrocarbon gross margin as the estimated value of a refinery's production less the cost of hydrocarbons and intermediate feedstocks used by that refinery. The estimated values of production are not calculated in the same way as revenues for U.S. GAAP purposes, and these values would not be eligible for revenue recognition under U.S. GAAP. Under U.S. GAAP, we recognize revenues at the time products are sold, whereas the estimated values are based on production dates, which may not be the same as

the market values at the time of sale. In addition, our U.S. GAAP revenues are based on the actual sales prices of products, while the estimated values are based on the selected market indexes. As a result, the actual revenue realized for the sale of products may vary based on the timing, location or actual realized sales price. The cost of hydrocarbons and intermediate feedstocks used to calculate refinery hydrocarbon gross margin are the acquisition costs of these inputs used by a refinery. Costs relating to these items are included as part of cost of sales and operating expenses on our consolidated statements of income and comprehensive income under U.S. GAAP. However, for purposes of calculating refinery hydrocarbon gross margin these costs are not calculated in the same way that we calculate amounts included in cost of sales under U.S. GAAP, and the amounts reflected in refinery hydrocarbon gross margin may materially understate or overstate the corresponding U.S. GAAP amounts.

In addition, refinery operating expenses reflects estimates of the direct costs and expenses associated with operating the refineries, such as labor and related burden, energy, maintenance and materials and depreciation and amortization. Costs and expenses relating to these items are included as part of other expenses or cost of sales and operating expenses

on our consolidated statements of income and comprehensive income under U.S. GAAP, along with other expenses. The amounts allocated to our refineries for certain of these costs and expenses for purposes of our estimates of Refinery EBITDA do not necessarily reflect the full amounts of such costs, or may materially overstate or understate such costs.

Further, other miscellaneous costs and indirect expenses associated with operating the refineries include certain overhead expenses for crude supply and trading, industrial products, and petrochemicals, as well as certain refinery related-equity in the investments of affiliates and insurance proceeds. These items reflect amounts included as part of cost of sales and operating expenses and other income, other expenses, insurance recoveries and equity in earnings of affiliates on our consolidated statements of income and comprehensive income along with other expenses. The amounts allocated to our refineries for certain of these costs and expenses for purposes of our estimates of Refinery EBITDA do not necessarily reflect the full amounts of such costs, or may materially overstate or understate such costs.



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