LETTER TO STOCKHOLDERS

To Our Valued Stockholders:

2018 saw significant advancements in the research and development of CytRx's LADR™ (Linker Activated Drug Release) assets. As we begin a new year, we remain hopeful in the technology's ability to effectively improve cancer treatment. To this end, in 2018 and into early 2019, we have made a concerted effort to publish and raise awareness around the important data generated by Dr. Felix Kratz and his team, who have been pioneers in the field of albumin-based drug research. Notably, in February 2019 peer reviewed, scientific research for LADR-7, was published as a cover story in the Journal of Controlled Release, a leading journal for drug delivery. The article, entitled "Novel auristatin E-based albumin-binding prodrugs with superior anticancer efficacy in vivo compared to the parent compound" showed that ultra high potency drugs can be utilized with albumin as a drug carrier, without the expense and manufacturing complexity of antibody conjugation. CytRx is proud of their diligence and determination in furthering the development of our LADR drug candidates. Unfortunately, to date we have not been able to obtain a strategic partner or any financing for the LADR assets.

CytRx has always believed that the research being conducted by Dr. Kratz and his team have been in line with the cancer patient population's need for improved and differentiated therapies. However, significant developments in the wider scientific research community in 2018 further confirmed and gave us confidence in the value proposition of CytRx's research and development initiatives, and strengthened our determination to bring our innovations to cancer patients in need. Additionally, aldoxorubicin, being studied in NantCell clinical trials in combination with immune-based therapy, is beginning to provide validating proof of concept for the albumin-binding thesis and the potential of its target-specific drug delivery properties to enhance the effects of immunotherapy.

While CytRx continues to push our pipeline assets forward, our partners continue to do the same with both aldoxorubicin, licensed to NantCell, and arimoclomol, licensed to Orphazyme A/S. In November 2018, NantCell presented aldoxorubicin clinical data at the Society for Immunotherapy of Cancer (SITC)'s 33rd Annual Meeting, in two poster presentations. The presentations describe positive safety and efficacy data from the Phase 1b portion of the Phase 1b/2 clinical trial evaluating NantCell's high-affinity natural killer (haNK) cell therapy in combination with anti-cancer agents, including aldoxorubicin, in patients with third-line or greater triple negative breast cancer (TNBC), fourth-line or greater head and neck squamous cell carcinoma (HNSCC) or recurrent metastatic pancreatic cancer. Additionally, at the start of 2019, CytRx highlighted that aldoxorubicin licensee NantCell, Inc., had dosed the first patient in the Phase 1b portion of a Phase 1b/2 clinical trial for patients with relapsed or refractory colorectal cancer who have been previously treated with standard of care therapy. This is the fourth trial conducted by NantCell which will investigate high-affinity natural killer cell therapy in combination with anti-cancer agents, including aldoxorubicin, in certain high unmet need cancer indications. We are continually impressed with the progress NantCell has made in advancing aldoxorubicin. As they continue to produce promising data in disease areas such as triple negative breast cancer, head and neck squamous cell carcinoma, recurrent metastatic pancreatic cancer and colorectal cancer, we are pleased,

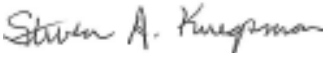
with the announcement of an additional patent issuance in May 2019, that they are also exploring the drug's utility in brain cancer.

For arimoclomol, in February 2019, Orphazyme A/S reported positive Phase 2/3 clinical data in Niemann Pick Disease Type C (NPC). On June 7, 2019 Orphazyme updated the anticipated timing for submission of its Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) seeking approval for arimoclomol in NPC. Based on advice received from the EMA's Scientific Advice Working Group, Orphazyme expects to submit the arimoclomol MAA in the first half of 2020. Further, in April 2019, Orphazyme announced the completion of enrollment in its Phase 2/3 clinical trial evaluating arimoclomol for the treatment of sporadic Inclusion Body Myositis (sIBM). In addition to NPC and sIBM, Orphazyme is also developing arimoclomol in amyotrophic lateral sclerosis (ALS) and Gaucher disease. CytRx is eligible to receive $6 million in the U.S. and $4 million in Europe upon approval of arimoclomol in Orphazyme's first non-ALS indication, plus royalties. The outlook for Orphazyme is encouraging, and we are proud to see that our enthusiasm for the potential of arimoclomol is matched by the dedication of our partner to rapidly execute on clinical development milestones.

We are pleased to see this positive momentum by our asset licensees. As announced in May 2019, CytRx began trading on the OTCQB Venture Market on June 4 under the same ticker symbol "CYTR", which will enable us to continue engaging with current and potential investors on a top Venture Market exchange while maintaining liquidity and exposure. With our cash burn now significantly reduced, which will allow for a longer runway, we continue to work diligently to execute on our corporate objectives.

On behalf of the entire CytRx team we thank you, our shareholders, for your continued support. We look forward to sharing our progress and achievements with you throughout the year ahead.

Sincerely,



Steven A. Kriegsman
Chairman and Chief Executive Officer