

OMB APPROVAL	
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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Hedberg Stephen Michael</u> <hr/> (Last) (First) (Middle) 2642 MICHELLE DRIVE, SUITE 200 <hr/> (Street) TUSTIN CA 92780 <hr/> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 07/11/2018	3. Issuer Name and Ticker or Trading Symbol <u>Avid Bioservices, Inc. [ CDMO ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Principal Fin. &amp; Acct. Officer</u>	5. If Amendment, Date of Original Filed (Month/Day/Year)  6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock, \$0.001 par value	9,687	D	

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Stock Option (right to buy)	(1)	02/01/2020	Common Stock	4,286	20.51	D	
Stock Option (right to buy)	(1)	04/15/2020	Common Stock	714	28	D	
Stock Option (right to buy)	(1)	05/02/2021	Common Stock	2,143	17.08	D	
Stock Option (right to buy)	(1)	02/17/2022	Common Stock	4,107	6.65	D	
Stock Option (right to buy)	(1)	05/04/2022	Common Stock	6,196	3.22	D	
Stock Option (right to buy)	(1)	12/27/2022	Common Stock	7,500	8.26	D	
Stock Option (right to buy)	(1)	05/06/2023	Common Stock	7,295	9.87	D	
Stock Option (right to buy)	(1)	05/06/2024	Common Stock	10,095	12.25	D	
Stock Option (right to buy)	(1)	05/11/2025	Common Stock	7,642	9.17	D	
Stock Option (right to buy)	(1)	06/02/2026	Common Stock	9,971	3.5	D	
Restricted Stock Right	(2)	(2)	Common Stock	800	(3)	D	

**Explanation of Responses:**

- The option is fully vested under the terms of the original option agreement.
- The restricted stock right vests in four (4) equal annual installments over a four (4) year period beginning June 15, 2019 and each year thereafter until fully-vested.
- Each restricted stock right represents the contingent right to receive one share of common stock upon vesting.

/s/ Stephen M. Hedberg 07/20/2018

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.