

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

1. Name and Address of Reporting Person* <u>Kwietniak Matthew R.</u> (Last) (First) (Middle) 14191 MYFORD ROAD (Street) TUSTIN CA 92780 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Avid Bioservices, Inc. [CDMO]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Chief Commercial Officer
	3. Date of Earliest Transaction (Month/Day/Year) 07/09/2023	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

Rule 10b5-1(c) Transaction Indication

Check this box to indicate that a transaction was made pursuant to a contract, instruction or written plan that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). See Instruction 10.

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, \$0.001 par value	07/09/2023		M		1,261	A	(1)	16,044	D	
Common Stock, \$0.001 par value	07/10/2023		S		477 ⁽²⁾	D	\$13.7707 ⁽³⁾	15,567	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Performance Stock Units	(4)	07/09/2023		M		40,693		04/30/2024 ⁽⁵⁾	(5)	Common Stock	40,693	\$0.0000	74,732	D	
Restricted Stock Units	(1)	07/09/2023		M		20,346		10/09/2023 ⁽⁶⁾	(6)	Common Stock	20,346	\$0.0000	43,431	D	
Restricted Stock Units	(1)	07/09/2023		D		1,261		(7)	(7)	Common Stock	1,261	\$0.0000	42,170	D	

Explanation of Responses:

- Each restricted stock unit ("RSU") represents the contingent right to receive, upon vesting, one share of the Issuer's Common Stock.
- Represents the shares automatically sold by the reporting person pursuant to an election to satisfy tax withholding obligations in connection with the vesting of the RSUs described in footnotes 7. This sale does not represent a discretionary trade by the reporting person.
- Represents a weighted average sales price per share. These shares were sold at prices ranging from \$13.77 to \$13.885. The Reporting Person has provided to the Issuer, and hereby undertakes to provide the SEC staff or a security holder of the Issuer, upon request, information regarding the number of shares sold at each respective price within the range set forth in this footnote.
- Each performance stock unit ("PSU") represents the contingent right to receive, upon vesting, one share of the Issuer's Common Stock.
- The vesting of the PSUs granted to the reporting person on July 9, 2023 is subject to the Issuer achieving certain fiscal year revenue and adjusted pre-tax net income milestones, each weighted 50%, over three (3) fiscal year performance periods beginning with the Issuer's fiscal year ending April 30, 2024 and continuing through the fiscal year ending April 30, 2026 (each a "Performance Period"). Subject to the Issuer attaining the applicable fiscal year milestones, 1/3rd of the PSUs will vest on the last day of each fiscal year during the Performance Period, subject to the reporting person's continuous service to the Issuer on such vesting dates. The number of PSUs listed is based on a maximum 200% achievement of each milestone during each Performance Period (the "Maximum Performance Target"). If a milestone is achieved at a rate below the Maximum Performance Target, or is not achieved, the corresponding portion of the PSUs that do not vest are forfeited.
- RSUs granted to the reporting person on July 9, 2023, vest in sixteen (16) equal quarterly installments over a four (4) year period beginning October 9, 2023, and each quarter thereafter until fully-vested, subject to the reporting person's continuous service to the Issuer on such vesting dates.
- RSUs granted to the reporting person on July 9, 2022, vest in sixteen (16) equal quarterly installments over a four (4) year period beginning October 9, 2022, and each quarter thereafter until fully-vested, subject to the reporting person's continuous service to the Issuer on such vesting dates.

/s/ Stephen Hedberg, by Power
of Attorney for Matthew R. Kwietniak 07/11/2023

** 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 4 (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.