

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

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

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) <u>Chief Commercial Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) 12/25/2024	
	4. 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 <input type="checkbox"/> Form filed by More than One Reporting Person

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, \$0.001 par value	12/25/2024		M ⁽¹⁾		9,300	A	(2)	34,707	D	
Common Stock, \$0.001 par value	12/25/2024		M ⁽¹⁾		29,479	A	(3)	64,186	D	
Common Stock, \$0.001 par value	12/26/2024		S ⁽⁴⁾		3,225	D	\$12.22	60,961	D	
Common Stock, \$0.001 par value	12/26/2024		S ⁽⁵⁾		10,165	D	\$12.22	50,796	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
Restricted Stock Units	(2)	12/25/2024		D		1,005		(6)	(6)	Common Stock	1,005	\$0.0000	74,107	D	
Restricted Stock Units	(2)	12/25/2024		D		1,893		(7)	(7)	Common Stock	1,893	\$0.0000	72,214	D	
Restricted Stock Units	(2)	12/25/2024		D		1,908		(8)	(8)	Common Stock	1,908	\$0.0000	70,306	D	
Restricted Stock Units	(2)	12/25/2024		D		4,494		(9)	(9)	Common Stock	4,494	\$0.0000	65,812	D	
Performance Stock Units (FY 2023 Grant) ⁽¹⁰⁾	(3)	12/25/2024		D		6,725		(11)	(11)	Common Stock	6,725	\$0.0000	130,568	D	
Performance Stock Units (FY 2023 Grant) ⁽¹⁰⁾	(3)	12/25/2024		D		6,725		(12)	(12)	Common Stock	6,725	\$0.0000	123,843	D	
Performance Stock Units (FY 2024 Grant) ⁽¹⁰⁾	(3)	12/25/2024		D		6,782		(11)	(11)	Common Stock	6,782	\$0.0000	117,061	D	
Performance Stock Units (FY 2024 Grant) ⁽¹⁰⁾	(3)	12/25/2024		D		6,782		(12)	(12)	Common Stock	6,782	\$0.0000	110,279	D	
Performance Stock Units (FY 2025 Grant) ⁽¹⁰⁾	(3)	12/25/2024		D		15,972		(11)	(11)	Common Stock	15,972	\$0.0000	94,307	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	Amount or Number of Shares				
Performance Stock Units (FY 2025 Grant) ⁽¹⁰⁾	(3)	12/25/2024		D			15,972	(12)	(12)	Common Stock	15,972	\$0.0000	78,335	D	

Explanation of Responses:

- In connection with the anticipated transactions contemplated by the Agreement and Plan of Merger (the "Merger Agreement") whereby the Issuer will be acquired by funds managed by affiliates of GHO Capital Partners LLP and Ampersand Capital Partners, the Board of Directors of the Issuer accelerated the payment of certain equity awards in connection with certain actions to mitigate adverse tax consequences of Section 280G and Section 4999 of the Internal Revenue Code of 1986 (as amended) that could arise in connection with the anticipated transactions under the Merger Agreement. The accelerated settlement of equity awards reported in this Form 4 was contingent upon the reporting person's agreement to repay accelerated compensation amounts under certain conditions.
- Each restricted stock unit ("RSU") represents the contingent right to receive, upon vesting, one share of the Issuer's Common Stock.
- Each performance stock unit ("PSU") represents the contingent right to receive, upon vesting, one share of the Issuer's Common Stock.
- Represents the shares sold by the reporting person pursuant to a contractual election to satisfy tax withholding obligations in connection with the vesting of the RSUs described in footnotes 6 through 9. This sale does not represent a discretionary trade by the reporting person.
- Represents the shares sold by the reporting person pursuant to a contractual election to satisfy tax withholding obligations in connection with the vesting of the PSUs described in footnotes 10 and 11. This sale does not represent a discretionary trade by the reporting person.
- Represents RSUs granted to the reporting person on October 11, 2021 that are scheduled to vest over a four (4) year period. 25% vested on the first anniversary of the date of grant, and the remaining balance were scheduled to vest in twelve (12) equal quarterly installments beginning January 11, 2023, and each quarter thereafter until fully-vested, subject to the reporting person's continuous service to the Issuer on such vesting dates.
- Represents RSUs granted to the reporting person on July 9, 2022 that were scheduled to 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.
- Represents RSUs granted to the reporting person on July 9, 2023 that were scheduled to 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.
- Represents RSUs granted to the reporting person on July 9, 2024 that were scheduled to vest in sixteen (16) equal quarterly installments over a four (4) year period beginning October 9, 2024, and each quarter thereafter until fully-vested, subject to the reporting person's continuous service to the Issuer on such vesting dates.
- The PSUs granted to the reporting person were subject to the Issuer achieving certain fiscal year financial milestones over three (3) consecutive fiscal year performance periods (i.e., May 1 to April 30) commencing with the fiscal year in which the PSU was initially granted (each fiscal year a "Performance Period"). Subject to the Issuer attaining the applicable fiscal year milestones, 1/3rd of the PSUs were scheduled to 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 initially reported by the reporting person was based on a maximum 200% achievement of each milestone during each Performance Period (the "Maximum Performance Target"). If a milestone was achieved at a rate below the Maximum Performance Target, or was not achieved, the corresponding portion of the PSUs that did not vest would be forfeited.
- Vested PSUs settled into shares of the Issuer's Common Stock on December 25, 2024.
- Represents the forfeiture of unearned PSUs for the Performance Period ending April 30, 2025.

/s/ Stephen Hedberg, by Power
of Attorney for Matthew R.
Kwietniak 12/27/2024

** 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.

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