

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL	
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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> (Last) (First) (Middle) 2642 MICHELLE DRIVE, SUITE 200 (Street) TUSTIN CA 92780 (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. & 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				
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.