UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended May 31, 2019

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______, 20___, to _____, 20___.

Commission File Number 333-109118

Novo Integrated Sciences, Inc.
(Exact Name of Registrant as Specified in its Charter)

Nevada	**59-3691650**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
11120 NE 2nd Street, Suite 200 Bellevue, Washington	**98004**
(Address of Principal Executive Offices)	(Zip Code)

(206) 617-9797
(Registrant's Telephone Number, Including Area Code)

N/A
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
N/A	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "accelerated filer," "large accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[X]	Smaller reporting company	[X]
Emerging growth company	[ ]		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act. Yes [ ] No [X]

There were 223,606,949 shares of the Registrant's $0.001 par value common stock outstanding as of July 5, 2019.

Novo Integrated Sciences, Inc.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

NOVO INTEGRATED SCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
As of May 31, 2019 (unaudited) and August 31, 2018

		May 31, 2019 (unaudited)		August 31, 2018
ASSETS				
Current Assets:				
Cash and cash equivalents	$	2,478,303	$	675,705
Accounts receivable, net		1,383,029		1,337,545
Other receivables, current portion		577,186		393,821
Prepaid expenses and other current assets		149,718		161,838
Total current assets		4,588,236		2,568,909
Property and equipment, net		418,297		400,321
Intangible assets		22,358,567		-
Right-of-use assets		2,201,893		-
Other receivables, net of current portion		85,043		57,352
Acquisition deposits		1,445,495		1,112,404
Goodwill		584,205		604,113
TOTAL ASSETS	$	31,681,736	$	4,743,099
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Accounts payable	$	1,283,735	$	1,307,599
Accrued expenses		208,008		383,998
Accrued interest (principally to related parties)		188,321		156,121
Due to related parties		931,128		1,116,261
Notes payable, current portion		369,750		382,350
Debentures, related parties		1,183,664		-
Operating lease liability, current portion		413,896		-
Total current liabilities		4,578,502		3,346,329
Debentures, related parties		-		1,224,000
Operating lease liability, net of current portion		1,789,779		-
TOTAL LIABILITIES		6,368,281		4,570,329
Commitments and contingencies		-		-
STOCKHOLDERS' EQUITY				
Novo Integrated Sciences, Inc.				
Convertible preferred stock; $0.001 par value; 1,000,000 shares authorized; 0 and 0 shares issued and outstanding at May 31, 2019 and August 31, 2018				
Common stock; $0.001par value; 499,000,000 shares authorized; 223,585,536 and 207,881,743 shares issued and outstanding at May 31, 2019 and August 31, 2018		223,585		207,882
Additional paid-in capital		35,695,491		10,053,683
Other comprehensive income		1,102,188		1,139,815
Accumulated deficit		(11,670,164)		(11,199,989)
Total Novo Integrated Sciences, Inc. stockholders' equity		25,351,100		201,391
Noncontrolling interest		(37,645)		(28,621)
Total stockholders' equity		25,313,455		172,770
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	31,681,736	$	4,743,099

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

NOVO INTEGRATED SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Three and Nine Months Ended May 31, 2019 and 2018 (unaudited)

	Three Months Ended		Nine Months Ended	
	May 31, 2019 (unaudited)	May 31, 2018 (unaudited)	May 31, 2019 (unaudited)	May 31, 2018 (unaudited)
Revenues	$ 2,489,575	$ 2,323,169	$ 7,001,607	$ 6,722,825
Cost of revenues	1,556,865	1,417,999	4,305,688	4,133,288
Gross profit	932,710	905,170	2,695,919	2,589,537
Operating expenses:				
Selling expenses	3,846	17,900	33,085	86,640
General and administrative expenses	991,992	1,064,107	3,020,001	3,978,861
Total operating expenses	995,838	1,082,007	3,053,086	4,065,501
Loss from operations	(63,128)	(176,837)	(357,167)	(1,475,964)
Non operating income (expense)				
Interest income	4,090	120	13,473	331
Interest expense	(41,735)	(42,696)	(136,643)	(480,981)
Total other income (expense)	(37,645)	(42,576)	(123,170)	(480,650)
Loss before income taxes	(100,773)	(219,413)	(480,337)	(1,956,614)
Income tax expense	-	-	-	-
Net loss	$ (100,773)	$ (219,413)	$ (480,337)	$ (1,956,614)
Net loss attributed to noncontrolling interest	(1,515)	(1,515)	(10,162)	(6,871)
Net loss attributed to Novo Integrated Sciences, Inc.	$ (99,258)	$ (217,898)	$ (470,175)	$ (1,949,743)
Comprehensive loss:				
Net loss	(100,773)	(219,413)	(480,337)	(1,956,614)
Foreign currency translation gain (loss)	(63,607)	(8,505)	(37,627)	(95,846)
Comprehensive loss:	$ (164,380)	$ (227,918)	$ (517,964)	$ (2,052,460)
Weighted average common shares outstanding - basic and diluted	223,258,368	214,684,089	215,193,998	207,568,978
Net loss per common share - basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

NOVO INTEGRATED SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
For the Nine Months Ended May 31, 2019 and 2018 (unaudited)

	Common Stock		Additional	Other		Total Novo Stockholders'	Non	Total
	Shares	Amount	Paid-in Capital	Comprehensive Income	Accumulated Deficit	Equity/ (Deficit)	controlling Interest	Equity/ (Deficit)
Balance, August 31, 2018	207,881,743	207,882	10,053,683	1,139,815	(11,199,989)	201,391	(28,621)	172,770
Common stock issued for cash	3,245,444	3,245	3,224,853	-	-	3,228,098	-	3,228,098
Common stock issued for interest in joint venture	12,000,000	12,000	21,588,000	-	-	21,600,000	-	21,600,000
Common stock issued for software license	458,349	458	758,109	-	-	758,567	-	758,567
Fair value of vested stock options	-	-	70,846	-	-	70,846	-	70,846
Foreign currency translation loss	-	-	-	(37,627)		(37,627)	1,138	(36,489)
Net loss	-	-	-	-	(470,175)	(470,175)	(10,162)	(480,337)
Balance, May 31, 2019	223,585,536	$223,585	$35,695,491	$ 1,102,188	$ (11,670,164)	$ 25,351,100	$ (37,645)	$25,313,455
Balance, August 31, 2017	201,837,254	201,837	3,381,643		(9,091,977)	(5,508,497)	(20,537)	(5,529,034)
Common stock issued for cash	25,104	25	15,539	-	-	15,564	-	15,564
Common stock issued for acquisition	384,110	384	232,771	-	-	233,155	-	233,155
Common stock issued for conversion of debt	12,452,356	12,453	5,110,446	-	-	5,122,899	-	5,122,899
Fair value of vested stock options	-	-	1,220,419	-	-	1,220,419	-	1,220,419
Fair value of modification of stock option terms	-	-	31,536	-	-	31,536	-	31,536
Foreign currency translation loss	-	-	-	(95,846)		(95,846)	873	(94,973)
Net loss	-	-	-	-	(1,949,743)	(1,949,743)	(6,871)	(1,956,614)
Balance, May 31, 2018	214,698,824	$214,699	$ 9,992,354	$ (95,846)	$ (11,041,720)	$ (930,513)	$ (26,535)	$ (957,048)

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

NOVO INTEGRATED SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended May 31, 2019 and 2018 (unaudited)

	Nine Months Ended	
	May 31, 2019 (unaudited)	**May 31, 2018 (unaudited)**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (480,337)	$ (1,956,614)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	71,256	52,287
Fair value of vested stock options	70,846	1,220,419
Expense associated with modified stock option terms	-	31,536
Operating lease expense	98,316	-
Changes in operating assets and liabilities:		
Accounts receivable	(91,318)	(227,113)
Prepaid expenses and other current assets	7,182	39,503
Accounts payable	18,628	(343,102)
Accrued expenses	(167,126)	39,552
Accrued interest	38,076	303,488
Operating lease liability	(96,498)	-
Net cash used in operating activities	(530,975)	(840,044)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(103,035)	(83,950)
Payment for acquisition deposit	(377,000)	-
Amounts loaned for other receivables	(225,924)	(38,929)
Net cash used in investing activities	(705,959)	(122,879)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments to related parties	(151,257)	(31,580)
Proceeds from the sale of common stock	3,228,098	15,564
Payments on notes payable	-	(7,056)
Net cash provided by (used in) financing activities	3,076,841	(23,072)
Effect of exchange rate changes on cash and cash equivalents	(37,309)	(46,881)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,802,598	(1,032,876)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	675,705	1,896,572
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,478,303	$ 863,696
CASH PAID FOR:		
Interest	$ 104,443	$ 170,588
Income taxes	$ -	$ -
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued for intangible assets	$ 22,358,567	$ -

The accompanying footnotes are an integral part of these unaudited condensed consolidated financial statements.

Note 1 - Organization and Basis of Presentation

Organization and Line of Business

Novo Integrated Sciences, Inc. ("Novo Integrated") was incorporated in Delaware on November 27, 2000, under the name Turbine Truck Engines, Inc. On February 20, 2008, the Company was re-domiciled to the State of Nevada. Effective July 12, 2017, the Company's name was changed to Novo Integrated Sciences, Inc. When used herein, the terms the "Company," "we," "us" and "our" refer to Novo Integrated and its consolidated subsidiaries.

Through Novo Healthnet Limited ("NHL"), our wholly owned Canadian subsidiary, we deliver multi-disciplinary primary healthcare to over 400,000 patients annually through our 15 corporate-owned clinics and a contracted network of 96 affiliate clinics and 229 eldercare centric homes located across Canada. Our team of practitioners and staff are trained for assessment, diagnosis, treatment, pain management, rehabilitation and primary prevention. Our specialized services and products include physiotherapy, chiropractic care, occupational therapy, eldercare, laser therapeutics, massage therapy, acupuncture, chiropody, neurological functions, kinesiology, concussion management and baseline testing, women's pelvic health, sports medicine therapy, assistive devices and private personal training. We do not provide primary care medical services, none of our employees practices primary care medicine, and our services do not require a medical or nursing license.

As we continue to build our health science platform of services and products through the integration of technology and rehabilitative science, one component of our lateral business growth strategy includes developing business units centered on the direct control of the grow, extraction, manufacturing and distribution processes for hemp and medical cannabidiol products. Additionally, we continue to expand on our patient care philosophy of maintaining an on-going continuous connection with our patient community, beyond the traditional confines of a clinic, by extending oversight of patient diagnosis, care and monitoring, directly into the patient's home, through various mobile telemedicine and diagnostic tools.

Since inception and through May 9, 2017, our activities and business operations were limited to raising capital, organizational matters and the implementation of our business plan related to research, development, testing and commercialization of various alternative energy technologies.

On April 25, 2017 (the "Effective Date"), the Company entered into a Share Exchange Agreement (the "Share Exchange Agreement") by and between (i) the Company; (ii) NHL; (iii) ALMC-ASAP Holdings Inc. ("ALMC"); (iv) Michael Gaynor Family Trust (the "MGFT"); (v) 1218814 Ontario Inc. ("1218814"); and (vi) Michael Gaynor Physiotherapy Professional Corp. ("MGPP," and together with ALMC, MGFT and 1218814, the "NHL Shareholders"). Pursuant to the terms of the Share Exchange Agreement, the Company agreed to acquire from the NHL Shareholders all of the shares of both common and preferred stock of NHL, held by the NHL Shareholders, in exchange for the issuance by the Company to the NHL Shareholders of shares of the Company's common stock, such that following the closing of the Share Exchange Agreement, the NHL Shareholders would own 167,797,406 restricted shares of Company common stock, representing 85% of the issued and outstanding Company common stock, calculated including all granted and issued options or warrants to acquire the Company common stock as of the Effective Date, but to exclude shares of Company common stock that are subject to a then-current Regulation S offering that was undertaking by the Company (the "Exchange").

On May 9, 2017, the Exchange closed and, as a result, NHL became a wholly owned subsidiary of Novo Integrated Sciences, Inc.

The Exchange was accounted for as a reverse acquisition under the purchase method of accounting since NHL obtained control of Novo Integrated Sciences, Inc. Accordingly, the Exchange was recorded as a recapitalization of NHL, with NHL being treated as the continuing entity. The historical financial statements presented are the financial statements of NHL. The Exchange was treated as a recapitalization and not as a business combination; therefore, no pro forma information is disclosed. At the closing date of the Exchange, the net assets of the legal acquirer, Novo Integrated Sciences, Inc., were $6,904.

The unaudited consolidated financial statements are prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The information furnished herein reflects all adjustments, consisting only of normal recurring adjustments, which in the opinion of management, are necessary to fairly state the Company's financial position, the results of its operations, and cash flows for the periods presented. Certain information and footnote disclosures normally present in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") were omitted pursuant to such rules and regulations. The results of operations for the nine months ended May 31, 2019 are not necessarily indicative of the results for the year ending August 31, 2019.

Basis of Presentation

The accompanying consolidated financial statements were prepared in conformity with U.S. GAAP. The Company's Canadian subsidiaries' functional currency is the Canadian Dollar ("CAD" or "CAD$"); however, the accompanying consolidated financial statements were translated and presented in United States Dollars ("$" or "USD").

Foreign Currency Translation

The accounts of the Company's Canadian subsidiaries are maintained in CAD. The accounts of these subsidiaries are translated into USD in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 830, *Foreign Currency Transaction*, with the CAD as the functional currency. According to Topic 830, all assets and liabilities are translated at the exchange rate on the balance sheet date, stockholders' equity is translated at historical rates and statement of operations items are translated at the weighted average exchange rate for the period. The resulting translation adjustments are reported under other comprehensive income in accordance with ASC Topic 220, *Comprehensive Income*. Gains and losses resulting from the translations of foreign currency transactions and balances are reflected in the statement of operations and comprehensive income. The following table details the exchange rates used for the respective periods:

	May 31, 2019	May 31, 2018	August 31, 2018
Period end: CAD to USD exchange rate	$ 0.7395	$ 0.7712	$ 0.7647
Average period: CAD to USD exchange rate	$ 0.7540	$ 0.7901	

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, NHL, Novo Healthnet Rehab Limited, Novo Assessments Inc., and an 80% interest in Novo Healthnet Kemptville Centre, Inc., a Back on Track Physiotherapy and Health Centre clinic operated by NHL. All of the Company's subsidiaries are incorporated under the laws of the Province of Ontario, Canada. All intercompany transactions have been eliminated.

Noncontrolling Interest

The Company follows FASB ASC Topic 810, *Consolidation,* which governs the accounting for and reporting of non-controlling interests ("NCIs") in partially owned consolidated subsidiaries and the loss of control of subsidiaries. Certain provisions of this standard indicate, among other things, that NCIs be treated as a separate component of equity, not as a liability, that increases and decreases in the parent's ownership interest that leave control intact be treated as equity transactions rather than as step acquisitions or dilution gains or losses, and that losses of a partially owned consolidated subsidiary be allocated to the NCI even when such allocation might result in a deficit balance.

The net income (loss) attributed to the NCI is separately designated in the accompanying consolidated statements of operations and other comprehensive income (loss).

Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificate of deposits, and all highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable

Accounts receivable are recorded, net of allowance for doubtful accounts and sales returns. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentration, customer credit worthiness, current economic trends and changes in customer payment patterns to determine if the allowance for doubtful accounts is adequate. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Delinquent account balances are written-off after management has determined that the likelihood of collection is not probable and known bad debts are written off against the allowance for doubtful accounts when identified. As of May 31, 2019 and August 31, 2018, the allowance for uncollectible accounts receivable was $475,329 and $464,527, respectively.

Property and Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the declining balance method for substantially all assets with estimated lives as follows:

Leasehold improvements	5 years
Clinical equipment	5 years
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	5 years

Long-Lived Assets

The Company applies the provisions of ASC Topic 360, *Property, Plant, and Equipment*, which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. ASC 360 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair values are reduced for the cost of disposal. Based on its review at May 31, 2019 and August 31, 2018, the Company believes there was no impairment of its long-lived assets.

Intangible Assets

The Company's intangible assets consist of land use rights and a software license which will be amortized over 50 and 7 years, respectively. Amortization will begin when the assets are fully placed in service. The Company will perform a test for impairment annually. The land use rights and the software license intangible assets were acquired in January and February 2019, respectively. Therefore, the first annual impairment test will be performed as of August 31, 2019.

Goodwill

Goodwill represents the excess of purchase price over the underlying net assets of businesses acquired. Under accounting requirements, goodwill is not amortized but is subject to annual impairment tests. At May 31, 2019, the Company recorded goodwill of $369,750 and $214,455, respectively, related to its acquisition of Apka Health, Inc. during the fiscal year ended August 31, 2017 and Executive Fitness Leaders during the fiscal year ended August 31, 2018. As of August 31, 2018, the Company performed the required impairment review. Based on its review, the Company believes there was no impairment of its goodwill.

Acquisition Deposits

The Company has signed letters of understanding with three potential acquisition candidates which include refundable acquisition deposits totaling $1,445,495 and $1,112,404 at May 31, 2019 and August 31, 2018, respectively.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and equivalents, restricted cash, accounts receivable, advances to suppliers, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities.

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, requires disclosure of the fair value of financial instruments held by the Company. FASB ASC Topic 825, *Financial Instruments*, defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in inactive markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 inputs to the valuation methodology use one or more unobservable inputs which are significant to the fair value measurement.

The Company analyzes all financial instruments with features of both liabilities and equity under FASB ASC Topic 480, *Distinguishing Liabilities from Equity*, and FASB ASC Topic 815, *Derivatives and Hedging*.

As of May 31, 2019 and August 31, 2018, respectively, the Company did not identify any assets and liabilities required to be presented on the balance sheet at fair value.

Revenue Recognition

Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("Topic 606"), became effective for the Company on March 1, 2018. The Company's revenue recognition disclosure reflects its updated accounting policies that are affected by this new standard. The Company applied the "modified retrospective" transition method for open contracts for the implementation of Topic 606. As sales are and have been primarily from providing healthcare services, and the Company has no significant post-delivery obligations, this new standard did not result in a material recognition of revenue on the Company's accompanying consolidated financial statements for the cumulative impact of applying this new standard. The Company made no adjustments to its previously reported total revenues, as those periods continue to be presented in accordance with its historical accounting practices under Topic 605, *Revenue Recognition*.

Revenue from providing healthcare services are recognized under Topic 606 in a manner that reasonably reflects the delivery of its services to customers in return for expected consideration and includes the following elements:

- executed contracts with the Company's customers that it believes are legally enforceable;
- identification of performance obligations in the respective contract;
- determination of the transaction price for each performance obligation in the respective contract;
- allocation the transaction price to each performance obligation; and
- recognition of revenue only when the Company satisfies each performance obligation.

These five elements, as applied to healthcare services, the Company's sole revenue category, is summarized below:

- Healthcare services - gross service revenue is recorded in the accounting records at the time the service is provided on an accrual basis at the provider's established rates, regardless of whether the provider expects to collect that amount. The Company reserves a provision for contractual adjustment and discounts that are deducted from gross service revenue. The Company reports revenues net of any sales, use and value added taxes.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*. ASC 740 requires a company to use the asset and liability method of accounting for income taxes, whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of, the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Under ASC 740, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no material uncertain tax positions for any of the reporting periods presented.

Stock-Based Compensation

The Company records stock-based compensation in accordance with FASB ASC Topic 718, *Compensation – Stock Compensation*. FASB ASC Topic 718 requires companies to measure compensation cost for stock-based employee compensation at fair value at the grant date and recognize the expense over the requisite service period. The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees.

Basic and Diluted Earnings Per Share

Earnings per share is calculated in accordance with ASC Topic 260, *Earnings Per Share*. Basic earnings per share ("EPS") is based on the weighted average number of common shares outstanding. Diluted EPS assumes that all dilutive securities are converted. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. There were 10,095,000 options/warrants outstanding as of May 31, 2019. Due to the net loss incurred, potentially dilutive instruments would be anti-dilutive. Accordingly, diluted loss per share is the same as basic loss for all periods presented.

Foreign Currency Transactions and Comprehensive Income

U.S. GAAP generally requires recognized revenue, expenses, gains and losses be included in net income. Certain statements, however, require entities to report specific changes in assets and liabilities, such as gain or loss on foreign currency translation, as a separate component of the equity section of the balance sheet. Such items, along with net income, are components of comprehensive income. The functional currency of the Company's Canadian subsidiaries is the CAD. Translation gains of $1,102,188 and $1,139,815 at May 31, 2019 and August 31, 2018, respectively, are classified as an item of other comprehensive income in the stockholders' equity section of the balance sheet.

Statement of Cash Flows

Cash flows from the Company's operations are calculated based upon the local currencies using the average translation rates. As a result, amounts related to assets and liabilities reported on the statements of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheets.

Recent Accounting Pronouncements

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfer of Assets Other than Inventory*, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-16 is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company adopted this ASU on March 1, 2019 with no material impact on the Company's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* . ASU 2016-02 requires lessees to recognize lease assets and lease liabilities on the balance sheet and requires expanded disclosures about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 and interim periods in fiscal years beginning after December 15, 2018, with early adoption permitted. ASU 2016-02 and additional ASUs are now codified as Accounting Standards Codification Standard ("ASC") 842 - *Leases* ("ASC 842"). ASC 842 supersedes the lease accounting guidance in ASC 840 *Leases* and requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. The Company adopted ASC 842 on March 1, 2019 and used the modified retrospective transition approach and did not restate its comparative periods. As of the date of implementation on March 1, 2019, the impact of the adoption of ASC 842 resulted in the recognition of a right of use asset and lease payable obligation on the Company's consolidated balance sheets of $2,360,787. As the right of use asset and the lease payable obligation were the same upon adoption of ASC 842, there was no cumulative effect impact on the Company's accumulated deficit.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 is a comprehensive revenue recognition standard that will supersede nearly all existing revenue recognition guidance under current U.S. GAAP and replace it with a principle-based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. The ASU also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted only in annual reporting periods beginning after December 15, 2016, including interim periods therein. Entities will be able to transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The Company adopted this ASU beginning on March 1, 2018 and used the modified retrospective method of adoption. The adoption of this ASU did not have a material impact on the Company's financial statements and disclosures.

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

Note 3 – Related Party Transactions

Due to related parties

Amounts loaned to the Company by stockholders and officers of the Company are non-interest bearing and payable upon demand. At May 31, 2019 and August 31, 2018, the amount due to related parties was $931,128 and $1,116,261, respectively.

On January 31, 2018, a related party converted $813,125 of outstanding principal and accrued interest into 1,976,483 shares of the Company's common stock. The per share price used for the conversion of this loan was $0.4114 which was determined based on the average price of the five (5) trading days immediately preceding the date of conversion with a 10% premium added to the calculated per share price.

Note 4 – Accounts Receivables, net

Accounts receivables, net at May 31, 2019 and August 31, 2018 consisted of the following:

	May 31, 2019	August 31, 2018
Trade receivables	$ 1,571,743	$ 1,564,180
Amounts earned but not billed	286,615	237,892
	1,858,358	1,802,072
Allowance for doubtful accounts	(475,329)	(464,527)
Accounts receivable, net	$ 1,383,029	$ 1,337,545

Note 5 – Other Receivables

Other receivables at May 31, 2019 and August 31, 2018 consisted of the following:

	May 31, 2019	August 31, 2018
Notes receivable dated April 1, 2015 and amended on May 23, 2017; accrued interest at 8% per annum; secured by certain assets; due March 1, 2019 (currently in default)	$ 277,312	$ 286,763
Advance to corporation; non-interest bearing; unsecured; due not later than November 18, 2020	29,580	30,588
Advance to corporation; accrues interest at 12% per annum; unsecured; due September 2019	73,950	76,470
Advance to corporation; accrues interest at 10% per annum; unsecured; due May 1, 2022	55,463	57,352
Advance to corporation; accrues interest at 10% per annum after the first 60 days; unsecured; due February 7, 2020	225,924	-
Total other receivables	662,229	451,173
Current portion	(577,186)	(393,821)
Long-term portion	$ 85,043	$ 57,352

Note 6 – Property and Equipment

Property and equipment at May 31, 2019 and August 31, 2018 consisted of the following:

	May 31, 2019	August 31, 2018
Leasehold Improvements	$ 444,449	$ 372,010
Clinical equipment	274,395	269,741
Computer equipment	21,890	22,636
Office equipment	26,658	24,658
Furniture and fixtures	38,315	39,620
	805,707	728,665
Accumulated depreciation	(387,410)	(328,344)
Total	$ 418,297	$ 400,321

Depreciation expense for the nine months ended May 31, 2019 and 2018 was $71,256 and $52,287, respectively.

Note 7 – Intangible Assets

Intangible assets at May 31, 2019 and August 31, 2018 consisted of the following:

	May 31, 2019	August 31, 2018
Land use rights	$ 21,600,000	$ -
Software license	758,567	-
	22,358,567	-
Accumulated amortization	-	-
Total	$ 22,358,567	$ -

There was no amortization expense during the nine months ended May 31, 2019 and 2018 as the listed intangible assets have not been placed in service.

Note 8 – Accrued Expenses

Accrued expenses at May 31, 2019 and August 31, 2018 consisted of the following:

	May 31, 2019	August 31, 2018
Accrued liabilities	$ 57,856	$ 266,123
Accrued payroll	119,291	106,761
Other	30,861	11,114
	$ 208,008	$ 383,998

Note 9 – Notes Payable

Notes payable at May 31, 2019 and August 31, 2018 consisted of the following:

	May 31, 2019	August 31, 2018
Notes payable issued in connection with purchase of assets; accrues interest at 0% per annum; due on March 27, 2019. Currently in Dispute.	$ 369,750	$ 382,350
	369,750	382,350
Current portion	(369,750)	(382,350)
Long-term portion	$ -	$ -

Note 10 – Debentures, related parties

On September 30, 2013, the Company issued five debentures totaling CAD$6,402,512 ($4,968,990 at November 30, 2017) in connection with the acquisition of certain business assets. The holders of the debentures are current stockholders, officers and/or affiliates of the Company. The debentures are secured by all the assets of the Company, accrue interest at 8% per annum and were originally due on September 30, 2016. On December 2, 2017, the debenture holders agreed to extend the due date to September 30, 2019.

On January 31, 2018, the debenture holders converted 75% of the debenture value of $3,894,809 plus accrued interest of $414,965 into 10,475,872 shares of the Company's common stock. The per share price used for the conversion of each debenture was $0.4114 which was determined based on the average price of the five (5) trading days immediately preceding the date of conversion with a 10% premium added to the calculated per share price. At May 31, 2019, the amount of debentures outstanding was $1,183,664.

Note 11 – Leases

The Company determines whether a contract is or contains a lease at inception of the contract and whether that lease meets the classification criteria of a finance or operating lease. When available, the Company uses the rate implicit in the lease to discount lease payments to present value; however, most of the Company's leases do not provide a readily determinable implicit rate. Therefore, the Company must discount lease payments based on an estimate of its incremental borrowing rate.

The Company leases its corporate office space and certain facilities under long-term operating leases expiring through fiscal year 2028. Effective March 1, 2019, the Company adopted the provision of ASC 842 Leases.

The table below presents the lease related assets and liabilities recorded on the Company's consolidated balance sheets as of May 31, 2019:

	Classification on Balance Sheet	**May 31, 2019**
Assets		
Operating lease assets	Operating lease right of use assets	$ 2,201,893
Total lease assets		$ 2,201,893
Liabilities		
Current liabilities		
Operating lease liability	Current operating lease liability	$ 413,896
Noncurrent liabilities		
Operating lease liability	Long-term operating lease liability	1,789,779
Total lease liability		$ 2,203,675

Lease obligations at May 31, 2019 consisted of the following:

Twelve months ending May 31,		
2020	$	575,245
2021		573,476
2022		464,407
2023		401,394
2024		197,454
2025		149,001
Thereafter		412,330
Total payments		2,773,307
Amount representing interest		(569,632)
Lease obligation, net		2,203,675
Less lease obligation, current portion		(413,896)
Lease obligation, long-term portion	$	1,789,779

The lease expense for the three months ended May 31, 2019 (since adoption of ASC 842) was $142,676, which consisted of amortization expense of $98,316 and interest expense of $44,360. The cash paid under operating leases during the three months ended May 31, 2019 was $115,311. At May 31, 2019, the weighted average remaining lease terms were 6.0 years and the weighted average discount rate was 8%

Note 12 – Stockholders' Deficit

Convertible preferred stock

The Company has authorized 1,000,000 shares of $0.001 par value convertible preferred stock. At May 31, 2019 and August 31, 2018 there were 0 and 0 convertible preferred shares issued, outstanding and designated, respectively.

Common stock

The Company has authorized 499,000,000 shares of $0.001 par value common stock. At May 31, 2019 and August 31, 2018 there were 223,585,536 and 207,881,743 common shares issued and outstanding, respectively.

During the nine months ended May 31, 2019, the Company issued:

- 3,245,444 restricted shares of common stock for cash proceeds of $3,228,098;
- 12,000,000 restricted shares of common stock as consideration for the Assignment, to the Company, of a Joint Venture Agreement with a value of $21,600,000 based on the closing share price of $1.80 on the execution date of the Closing Certificate; and
- 458,349 restricted shares of common stock as consideration for a Licensing Agreement based on a per share price of $1.655 with a value of $758,567.

Stock options/warrants

On September 8, 2015, the Company adopted the 2015 Incentive Compensation Plan (the "2015 Plan"), which authorizes the issuance of up to 5,000,000 shares of common stock to employees, officers, directors or independent consultants of the Company, provided that no person can be granted shares under the 2015 Plan for services related to raising capital or promotional activities. As of May 31, 2019, 4,987,500 shares were available under the 2015 Plan for future grants, awards, options or share issuances. However, because the shares issuable under the 2015 Plan or issuable upon conversion of awards granted under the 2015 Plan are no longer registered under the Securities Exchange Act of 1934, as amended, the Company does not intend to issue any additional grants under the 2015 Plan.

On January 16, 2018, the Company adopted the Novo Integrated Sciences, Inc. 2018 Incentive Plan (the "2018 Plan"). Under the 2018 Plan, 10,000,000 shares of common stock are authorized for issuance to employees, non-employees, directors and key consultants to the Company or its subsidiaries. The 2018 Plan authorizes equity-based and cash-based incentives for participants. There were 9,875,000 shares available for award at May 31, 2019 under the 2018 Plan.

The following is a summary of stock option/warrant activity:

	Options/ Warrants Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life		Aggregate Intrinsic Value
Outstanding, August 31, 2018	10,030,000		0.30	4.56	$	7,045,500
Granted	75,000		0.95			
Forfeited	(10,000)		2.00			
Exercised	-					
Outstanding, May 31, 2019	10,095,000		0.30	3.83	$	9,573,000
Exercisable, May 31, 2019	10,095,000	$	0.30	3.83	$	9,573,000

The exercise price for options/warrants outstanding at May 31, 2019:

Outstanding and Exercisable		
Number of Options/Warrants		Exercise Price
5,500,000	$	0.16
1,000,000		0.32
50,000		0.33
120,000		0.40
2,000,000		0.42
100,000		0.50
1,000,000		0.62
250,000		0.80
75,000		0.95
10,095,000		

For options granted during the fiscal year ending August 31, 2019 where the exercise price equaled the stock price at the date of the grant, the weighted-average fair value of such options was $0.94 and the weighted-average exercise price of such options/warrants was $0.95. No options were granted during the fiscal year ending August 31, 2019 where the exercise price was less than the stock price at the date of grant or the exercise price was greater than the stock price at the date of grant.

For options granted during the fiscal year ended August 31, 2018 where the exercise price equaled the stock price at the date of the grant, the weighted-average fair value of such options was $0.39 and the weighted-average exercise price of such options/warrants was $0.40. No options were granted during the fiscal year ended August 31, 2018 where the exercise price was less than the stock price at the date of grant or the exercise price was greater than the stock price at the date of grant.

The fair value of the stock options is being amortized to stock option expense over the vesting period. The Company recorded stock option expense of $70,846 and $1,220,419 during the nine months ended May 31, 2019 and 2018, respectively. At May 31, 2019, the unamortized stock option expense was $0.

The assumptions used in calculating the fair value of options granted during the current fiscal year ending August 31, 2019 using the Black-Scholes option-pricing model for options granted, through May 31, 2019, are as follows:

Risk-free interest rate	2.78%
Expected life of the options	3.5 years
Expected volatility	294%
Expected dividend yield	0%

Note 13 – Commitments and Contingencies

<u>Litigation</u>

The Company is party to certain legal proceedings from time to time incidental to the conduct of its business. These proceedings could result in fines, penalties, compensatory or treble damages or non-monetary relief. The nature of legal proceedings is such that the Company cannot assure the outcome of any particular matter, and an unfavorable ruling or development could have a materially adverse effect on our consolidated financial position, results of operations and cash flows in the period in which a ruling or settlement occurs. However, based on information available to the Company's management to date, the Company's management does not expect that the outcome of any matter pending against the Company is likely to have a materially adverse effect on the Company's consolidated financial position as of May 31, 2019, results of operations, cash flows or liquidity of the Company.

Note 14 – Subsequent Events

On June 4, 2019, the Company sold 21,413 restricted shares of common stock to an accredited investor for a purchase price of $22,269.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provide a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral statements that are "forward-looking," including statements contained in this report and other filings with the Securities and Exchange Commission ("SEC") and in our reports and presentations to stockholders or potential stockholders. In some cases forward-looking statements can be identified by words such as "believe," "expect," "anticipate," "plan," "potential," "continue" or similar expressions. Such forward-looking statements include risks and uncertainties and there are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors, risks and uncertainties can be found in the Part I, Item 1A, "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2018.

Although we believe the expectations reflected in our forward-looking statements are based upon reasonable assumptions, it is not possible to foresee or identify all factors that could have a material effect on the future financial performance of the Company. The forward-looking statements in this report are made on the basis of management's assumptions and analysis, as of the time the statements are made, in light of their experience and perception of historical conditions, expected future developments and other factors believed to be appropriate under the circumstances.

Except as otherwise required by the federal securities laws, we disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained in this Quarterly Report on Form 10-Q and the information incorporated by reference in this report to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Overview of the Company

Through Novo Healthnet Limited ("NHL"), our wholly owned Canadian subsidiary, we deliver multi-disciplinary primary healthcare to over 400,000 patients annually through our 15 corporate-owned clinics and a contracted network of 96 affiliate clinics and 229 eldercare centric homes located across Canada. Our team of practitioners and staff are trained for assessment, diagnosis, treatment, pain management, rehabilitation and primary prevention. Our specialized services and products include physiotherapy, chiropractic care, occupational therapy, eldercare, laser therapeutics, massage therapy, acupuncture, chiropody, neurological functions, kinesiology, concussion management and baseline testing, women's pelvic health, sports medicine therapy, assistive devices and private personal training. We do not provide primary care medical services, none of our employees practices primary care medicine, and our services do not require a medical or nursing license.

As we continue to build our health science platform of services and products through the integration of technology and rehabilitative science, one component of our lateral business growth strategy includes developing business units centered on the direct control of the grow, extraction, manufacturing and distribution processes for hemp and medical cannabidiol products. Additionally, we continue to expand on our patient care philosophy of maintaining an on-going continuous connection with our patient community, beyond the traditional confines of a clinic, by extending oversight of patient diagnosis, care and monitoring, directly into the patient's home, through various mobile telemedicine and diagnostic tools.

Our strict adherence to public regulatory standards, as well as self-imposed standards of excellence, have allowed us to navigate with ease through the industry's licensing and regulatory framework. Compliant treatment, data and administrative protocols are managed through a team of highly trained, certified healthcare and administrative professionals. We and our affiliates provide service to the Canadian property and casualty insurance industry, resulting in a regulated framework governed by the Financial Services Commission of Ontario. All of our services and those of our affiliates are regulated by the various professional associations related to the clinical professionals contracted or employed by us. In 2013, NHL received its accreditation from the Commission on Accreditation of Rehabilitation Facilities ("CARF"). Currently, NHL is undergoing the CARF re-accreditation process.

When used herein, the terms the "Company," "we," "us" and "our" refer to Novo Integrated Sciences, Inc. and its consolidated subsidiaries.

For the three months ended May 31, 2019 compared to the three months ended May 31, 2018

Revenues for the three months ended May 31, 2019 were $2,489,575, representing an increase of $166,406, or 7.2%, from $2,323,169 for the same period in 2018. The increase in revenue is due to the opening of a new clinic in September 2018 and the relocation of certain clinics, during the summer of 2018, allowing the Company to sell additional services to customers as a result of more spacious facilities.

Cost of revenues for the three months ended May 31, 2019 were $1,556,865, representing an increase of $138,866, or 9.8%, from $1,417,999 for the same period in 2018. The increase in cost of revenues is principally due the increase in revenue. Cost of revenues as a percentage of revenue was 62.5% for the three months ended May 31, 2019 and 61.0% for same period in 2018. The increase in cost of revenues as a percentage of revenue is principally due to higher costs.

Operating costs for the three months ended May 31, 2019 were $995,838, representing a decrease of $86,169, or 8.0%, from $1,082,007 for the same period in 2018. The decrease in operating costs is principally attributed to a decrease in stock-based compensation of $111,003.

Interest expense for the three months ended May 31, 2019 was $41,735 representing a decrease of $961, or 2.3%, from $42,696 for the same period in 2018. The decrease is not significant.

Net loss for the three months ended May 31, 2019 was $100,773, representing a decrease of $118,640, or 54.1%, from $219,413 for the same period in 2018. The decrease in net loss is due to the reasons described above.

For the nine months ended May 31, 2019 compared to the nine months ended May 31, 2018

Revenues for the nine months ended May 31, 2019 were $7,001,607, representing an increase of $278,782, or 4.1%, from $6,722,825 for the same period in 2018. The increase in revenue is due to us being able to sell additional services to customers as a result of the acquisition of Executive Fitness Leaders in December 2017, the opening of a new clinic in September 2018, and the relocation of certain clinics during the summer of 2018 to more spacious facilities.

Cost of revenues for the nine months ended May 31, 2019 were $4,305,688, representing an increase of $172,400, or 4.2%, from $4,133,288 for the same period in 2018. The increase in cost of revenues is principally due to the increase in revenue. Cost of revenues as a percentage of revenue was 61.5% for the nine months ended May 31, 2019 and 61.5% for same period in 2018. There was no change in cost of revenues as a percentage of revenue.

Operating costs for the nine months ended May 31, 2019 were $3,053,086, representing a decrease of $1,012,415, or 24.9%, from $4,065,501 for the same period in 2018. The decrease in operating costs is attributed to a decrease in stock-based compensation of $1,149,573 offset by an increase in payroll and rental fees.

Interest expense for the nine months ended May 31, 2019 was $136,643, representing a decrease of $344,338, or 71.6%, from $480,981 for the same period in 2018. The decrease is due to less debt outstanding as a result of approximately $5.1 million of related party debt being converted to common stock in January 2018.

Net loss for the nine months ended May 31, 2019 was $480,337, representing a decrease of $1,476,277, or 75.5%, from $1,956,614 for the same period in 2018. The decrease in net loss is due to the reasons described above.

Liquidity and Capital Resources

As shown in the accompanying financial statements, for the nine months ended May 31, 2019, the Company had a net loss of $480,337.

During the nine months ended May 31, 2019, the Company used cash in operating activities of $530,975 compared to $840,044 for the same period in 2018. The principal reason for the decrease is the decrease in net loss incurred during the nine months ended May 31, 2019 as compared to the same period in 2018, changes in non-cash expense of stock-based compensation and changes in working capital accounts during the nine months ended May 31, 2019 compared to the same period in 2018.

During the nine months ended May 31, 2019, the Company used cash in investing activities of $705,959 compared to $122,879 for the same period in 2018. The principal reason for the change is a deposit paid for a potential acquisition and the increase of amounts loaned for other receivables during the nine months ended May 31, 2019 compared to the same period in 2018.

During the nine months ended May 31, 2019, the Company generated cash of $3,076,841 from financing activities compared to cash used in financing activities of $23,072 for the same period in 2018. The principal reason for the change is the sale of shares of common stock for $3,228,098 during the nine months ended May 31, 2019, offset by an increase of repayments of amounts due to related parties. During the nine months ended May 31, 2018 there were only $15,564 of sales of shares of common stock.

On November 16, 2018, the Company accepted a $30,000 subscription agreement from an accredited investor residing outside the United States for the sale of 17,647 shares of restricted common stock, resulting in an effective price per share of $1.70. The shares were issued on November 20, 2018.

On November 16, 2018, the Company accepted a $501,929 subscription agreement from an accredited investor residing outside the United States for the sale of 545,575 shares of restricted common stock, resulting in an effective price per share of $0.92. The shares were issued on November 20, 2018.

On December 18, 2018, the Company accepted a $1,867,250 subscription agreement from an accredited investor residing outside the United States for the sale of 2,029,620 shares of restricted common stock, resulting in an effective price per share of $0.92. The shares were issued on December 20, 2018.

On January 15, 2019, the Company accepted a $180,744 subscription agreement from an accredited investor residing outside the United States for the sale of 115,271 shares of restricted common stock, resulting in an effective price per share of $1.57. The shares were issued on January 18, 2019.

On April 3, 2019, the Company accepted a $149,740 subscription agreement from an accredited investor residing outside the United States for the sale of 116,078 shares of restricted common stock, resulting in an effective price per share of $1.29. The shares were issued on April 5, 2019.

On April 19, 2019, the Company accepted a $112,140 subscription agreement from an accredited investor residing outside the United States for the sale of 89,712 shares of restricted common stock, resulting in an effective price per share of $1.25. The shares were issued on April 24, 2019.

On April 30, 2019, the Company accepted a $200,000 subscription agreement from an accredited investor residing outside the United States for the sale of 170,941 shares of restricted common stock, resulting in an effective price per share of $1.17. The shares were issued on May 7, 2019.

On May 1, 2019, the Company accepted a $37,235 subscription agreement from an accredited investor residing outside the United States for the sale of 32,100 shares of restricted common stock, resulting in an effective price per share of $1.16. The shares were issued on May 3, 2019.

On May 3, 2019, the Company accepted a $149,060 subscription agreement from an accredited investor residing outside the United States for the sale of 128,500 shares of restricted common stock, resulting in an effective price per share of $1.16. The shares were issued on May 3, 2019.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

We believe that the following critical policies affect our more significant judgments and estimates used in preparation of our financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Noncontrolling Interest

The Company follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 810, *Consolidation,* which governs the accounting for and reporting of non-controlling interests (“NCIs”) in partially owned consolidated subsidiaries and the loss of control of subsidiaries. Certain provisions of this standard indicate, among other things, that NCIs be treated as a separate component of equity, not as a liability, that increases and decreases in the parent’s ownership interest that leave control intact be treated as equity transactions rather than as step acquisitions or dilution gains or losses, and that losses of a partially owned consolidated subsidiary be allocated to the NCI even when such allocation might result in a deficit balance.

The net income (loss) attributed to the NCI is separately designated in the accompanying consolidated statements of operations and other comprehensive income (loss).

Revenue Recognition

Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* (“Topic 606”), became effective for the Company on March 1, 2018. The Company’s revenue recognition disclosure reflects its updated accounting policies that are affected by this new standard. The Company applied the “modified retrospective” transition method for open contracts for the implementation of Topic 606. As sales are and have been primarily from providing healthcare services, and the Company has no significant post-delivery obligations, this new standard did not result in a material recognition of revenue on the Company’s accompanying consolidated financial statements for the cumulative impact of applying this new standard. The Company made no adjustments to its previously reported total revenues, as those periods continue to be presented in accordance with its historical accounting practices under Topic 605*, Revenue Recognition*.

Revenue from providing healthcare services are recognized under Topic 606 in a manner that reasonably reflects the delivery of its services to customers in return for expected consideration and includes the following elements:

- executed contracts with the Company’s customers that it believes are legally enforceable;
- identification of performance obligations in the respective contract;
- determination of the transaction price for each performance obligation in the respective contract;
- allocation of the transaction price to each performance obligation; and
- recognition of revenue only when the Company satisfies each performance obligation.

These five elements, as applied to healthcare services, the Company’s sole revenue category, is summarized below:

- Healthcare services - gross service revenue is recorded in the accounting records at the time the services are provided on an accrual basis at the provider’s established rates, regardless of whether the provider expects to collect that amount. The Company reserves a provision for contractual adjustment and discounts that are deducted from gross service revenue. The Company reports revenues net of any sales, use and value added taxes.

Stock-Based Compensation

The Company records stock-based compensation in accordance with FASB ASC Topic 718, *Compensation – Stock Compensation*. FASB ASC Topic 718 requires companies to measure compensation cost for stock-based employee compensation at fair value at the grant date and recognize the expense over the requisite service period. The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees.

Basic and Diluted Earnings Per Share

Earnings per share is calculated in accordance with ASC Topic 260, *Earnings Per Share*. Basic earnings per share (“EPS”) is based on the weighted average number of common shares outstanding. Diluted EPS assumes that all dilutive securities are converted. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Foreign Currency Transactions and Comprehensive Income

U.S. GAAP generally requires recognized revenue, expenses, gains and losses be included in net income. Certain statements, however, require entities to report specific changes in assets and liabilities, such as gain or loss on foreign currency translation, as a separate component of the equity section of the balance sheet. Such items, along with net income, are components of comprehensive income. The functional currency of the Company's Canadian subsidiaries is the Canadian dollar. Translation gains (losses) are classified as an item of other comprehensive income in the stockholders' equity section of the balance sheet.

New Accounting Pronouncements

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfer of Assets Other than Inventory*, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-16 is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company adopted this ASU on March 1, 2019 with no material impact on the Company's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* . ASU 2016-02 requires lessees to recognize lease assets and lease liabilities on the balance sheet and requires expanded disclosures about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 and interim periods in fiscal years beginning after December 15, 2018, with early adoption permitted. ASU 2016-02 and additional ASUs are now codified as Accounting Standards Codification Standard ("ASC") 842 - *Leases* ("ASC 842"). ASC 842 supersedes the lease accounting guidance in ASC 840 *Leases*, and requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. The Company adopted ASC 842 on March 1, 2019 and used the modified retrospective transition approach and did not restate its comparative periods. As of the date of implementation on March 1, 2019, the impact of the adoption of ASC 842 resulted in the recognition of a right of use asset and lease payable obligation on the Company's consolidated balance sheets of $2,360,787. As the right of use asset and the lease payable obligation were the same upon adoption of ASC 842, there was no cumulative effect impact on the Company's accumulated deficit.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 is a comprehensive revenue recognition standard that will supersede nearly all existing revenue recognition guidance under current U.S. GAAP and replace it with a principle-based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. The ASU also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted only in annual reporting periods beginning after December 15, 2016, including interim periods therein. Entities will be able to transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The Company adopted this ASU beginning on March 1, 2018 and used the modified retrospective method of adoption. The adoption of this ASU did not have a material impact on the Company's financial statements and disclosures.

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

Recent accounting pronouncements issued by the FASB, the American Institute of Certified Public Accountants and the SEC did not or are not believed by management to have a material effect on the Company's financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Principal Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of May 31, 2019. Based upon such evaluation, the Chief Executive Officer and Principal Financial Officer have concluded that, as of May 31, 2019, the Company's disclosure controls and procedures were not effective as required under Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 of the Exchange Act that occurred during the fiscal quarter ended May 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Except as set forth herein, as of the date of this Quarterly Report on Form 10-Q, there are no material pending legal proceedings, other than ordinary routine litigation incidental to our business, to which we are a party or which our property is the subject. In addition, none of our officers, directors, affiliates or 5% stockholders (or any associates thereof) is a party adverse to us, or has a material interest adverse to us, in any material proceeding.

ITEM 1A. RISK FACTORS

Not required for smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On April 3, 2019, the Company sold 116,078 restricted shares of common stock to an accredited investor for a purchase price of $149,740. The shares were issued on April 5, 2019.

On April 19, 2019, the Company sold 89,712 restricted shares of common stock to an accredited investor for a purchase price of $112,140. The shares were issued on April 24, 2019.

On April 30, 2019, the Company sold 170,941 restricted shares of common stock to an accredited investor for a purchase price of $200,000. The shares were issued on May 7, 2019.

On May 1, 2019, the Company sold 32,100 restricted shares of common stock to an accredited investor for a purchase price of $37,235. The shares were issued on May 3, 2019.

On May 3, 2019, the Company sold 128,500 restricted shares of common stock to an accredited investor for a purchase price of $149,060. The shares were issued on May 3, 2019.

The above sales were made pursuant to an exemption from registration as set forth in Regulation S under the Securities Act. The issuances involved an offer and sale of securities outside the United States. The offers and sales were made in offshore transactions and no directed selling efforts were made by the issuer, a distributor, their affiliates or any persons acting on their behalf.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There have been no defaults in any material payments during the covered period.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) None.

(b) There have been no material changes to the procedures by which security holders may recommend nominees to the Company's Board of Directors since the Company last provided disclosure in response to the requirements of Item 407(c)(3) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit Number	Description of Document
31.1	Rule 13a-14(a) Certification of Principal Executive Officer.
31.2	Rule 13a-14(a) Certification of Principal Financial Officer.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Principal Executive Officer and Principal Financial Officer.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, thereto duly authorized:

NOVO INTEGRATED SCIENCES, INC.

Dated: July 11, 2019	By: */s/ Robert Mattacchione*
	Robert Mattacchione Chief Executive Officer (principal executive officer)
	By: */s/ Klara Radulyne*
	Klara Radulyne Principal Financial Officer (principal financial officer and principal accounting officer)

EXHIBIT 31.1

CERTIFICATIONS

I, Robert Mattacchione, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended May 31, 2019 of Novo Integrated Sciences, Inc.; and

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; and

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 11, 2019

By: */s/ Robert Mattacchione*
Robert Mattacchione
Chief Executive Officer (principal executive officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Klara Radulyne, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended May 31, 2019 of Novo Integrated Sciences, Inc.; and

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; and

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 11, 2019

By: */s/ Klara Radulyne*
Klara Radulyne
Principal Financial Officer

EXHIBIT 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Novo Integrated Sciences, Inc. (the "Company") on Form 10-Q for the quarter ended May 31, 2019 as filed with the Securities and Exchange Commission (the "Report"), I, Robert Mattacchione, Chief Executive Officer of the Company, and I, Klara Radulyne, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: July 11, 2019

/s/ Robert Mattacchione
Robert Mattacchione, Chief Executive Officer
(principal executive officer)

/s/ Klara Radulyne
Klara Radulyne, Principal Financial Officer
(principal financial officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.