

1 **Signaling and transcriptional networks governing late synovial joint development**

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22 GRN

23

24 **Abstract**

25

26 **Background:** During synovial joint development, cavitation marks the end of the  
27 emergence of new cell types and the onset of the consolidation of cell type specific  
28 programs. However, the transcriptional programs that regulate this crucial stage prior to  
29 joint maturation are incompletely characterized. Gdf5-lineage cells give rise to the  
30 majority of joint constituents such as articular cartilage, meniscus, ligament, and tendon.  
31 Therefore, to explore pre-maturation of the synovial joint, we performed single cell RNA-  
32 Seq analysis of 1,306 Gdf5-lineage cells from the murine knee joint at E17.5.

33

34 **Results:** Using computational analytics and *in situ* hybridization, we identified nine sub-  
35 states contributing to articular cartilage, meniscus, cruciate ligament, synovium, lining,  
36 and surrounding fibrous tissue. We identified a common progenitor population that is  
37 predicted to give rise to ligamentocytes, articular chondrocytes, and lining cells. We  
38 further found that while a large number of signaling pathways orchestrate the  
39 differentiation of this progenitor to either ligamentocytes or to lining cells, only continued  
40 FGF signaling guides these cells to a default chondrocyte fate.

41

42 **Conclusions:** Our single cell transcriptional atlas is a resource that can be used to  
43 better understand and further study synovial joint development and the reactivation of  
44 embryonic programs in diseases such as osteoarthritis.

45

46

## 47 **1. Introduction**

48 Synovial joint degeneration is a major contributor to osteoarthritis, a disease with deep  
49 and broad impacts on human health in nations with increasing aging populations <sup>1,2</sup>.  
50 New therapeutic approaches, such as cell replacement, and better models would  
51 benefit from an improved understanding of synovial joint development at different  
52 developmental stages <sup>3 4</sup>. For example, we recently determined the transcriptional  
53 programs that regulate early (E12.5 to E15.5) synovial joint development by a  
54 combination of single cell RNA-sequencing (scRNA-Seq) of Gdf5-lineage joint  
55 progenitors, computational analyses, and in situ validation <sup>5</sup>. While that study uncovered  
56 substantial transcriptional and fate bias heterogeneity in interzone cells, it did not  
57 characterize how joint progenitors ultimately commit to the major joint cell types,  
58 including permanent articular chondrocytes, ligamentocytes, and cells of the menisci  
59 and synovium. These lineages begin to be detectable around the time of cavitation,  
60 which in the hindlimb occurs around E16.5 <sup>6-8 9</sup>.

61 To understand the transcriptomic programs active during late joint development,  
62 microarray have been applied to the E15-E16 elbow and knee joints <sup>10</sup>, to the E16  
63 meniscus <sup>11</sup>. The transcriptomic characteristics identified by these investigations  
64 revealed the involvement of TGF $\beta$  (e.g. Gdf5) and Wnt (e.g. Sfrp2) signaling in knee  
65 morphogenesis, and the involvement of TGF $\beta$  (e.g. Lox) and IGF (Igf1) pathway in  
66 meniscus development. However, it is difficult to define the expression signatures of  
67 distinct sub-populations using bulk sample molecular profiling. The advent of single cell  
68 profiling makes it possible to achieve this aim <sup>12,13</sup>. For example, a Lgr5<sup>+</sup> population and  
69 a Tppp3<sup>+</sup>Pdgfra<sup>+</sup> population were recently found that serve as progenitors for cruciate

70 ligaments, synovial membrane, and articular chondrocytes <sup>14</sup>, and for tendon <sup>15</sup>,  
71 respectively.

72 To gain a comprehensive understanding of the transcriptional programs during  
73 late synovial joint development, we applied scRNA-Seq to Gdf5-lineage cells of the  
74 murine knee joint at E17.5. We combined computational analytics and *in situ*  
75 hybridization to identify the cell populations that contribute to different joint constituents  
76 and to uncover the transcriptional programs that mediate the lineage transitions. We  
77 found that Gdf5-lineage enriched cells consist of at least nine sub-populations that  
78 contribute to articular cartilage, meniscus, superficial lining, tendon/ligament, synovial  
79 fibroblasts, and other connective tissues. Furthermore, we predicted the signaling  
80 pathways, and the transcriptional programs underpinning the differentiation of joint  
81 progenitors to articular chondrocytes and to lining cells. We have made our data and  
82 analysis results available for the community to explore at [https://e17-](https://e17-mouse.herokuapp.com)  
83 [mouse.herokuapp.com](https://e17-mouse.herokuapp.com)

84

## 85 **2. Materials and Methods**

### 86 **Mice**

87 We cross mated *Gdf5-cre* (Sperm Cryorecovery via IVF, FVB/NJ background, Jackson  
88 laboratory) mouse strain with B6.129X1-Gt(ROSA)26Sortm1(EYFP)Cos/J (RosaEYFP,  
89 gifted by the lab of Prof. Xu Cao from Johns Hopkins University) strain to generate  
90 *Gdf5-cre::Rosa-EYFP* mice. The genotype of the mice was determined by PCR  
91 analyses of genomic DNA isolated from mouse tails using the following primers: *Gdf5-*  
92 directed cre forward, 5'GCCTGCATTACCGGTCGATGCAACGA3', and reverse,



93 5'GTGGCAGATGGCGCGGCAACACCATT3' (protocol provided by Prof. David  
94 Kingsley, HHMI and Stanford University). All the protocols were approved by the  
95 institutional review board of Johns Hopkins University.

96

### 97 **Mice gender identification**

98 We identified mouse gender by genotyping Sry Y gene using the primers: forward,  
99 5'CTGGAAATCTACTGTGGTCTG3', and reverse, 5'ACCAAGACCAGAGTTTCCAG3'.

100

### 101 **Cell isolation**

102 Mice were kept in light-reversed room (light turns on at 10 pm and turns off at 10 am).

103 Timing was determined by putting one male mouse and two female mice in the same

104 cage at 9 am and separating them at 4 pm on the same day. We count that midnight as

105 E0.5 stage. On E17.5, the pregnant mice were sacrificed by CO<sub>2</sub> at 3 am. The cells

106 were isolated using the protocol (Primary culture and phenotyping of murine

107 Chondrocytes) with modification: The embryos were rinsed three times in PBS on ice.

108 Two presumptive knee joints were isolated by transfemoral and transtibial division in a

109 single 3 cm dish and incubated in digestion solution I (3 mg / mL collagenase D, DMEM

110 high glucose culture medium, serum free) for 45 min at 37 °C, and then in digestion

111 solution II (1 mg / mL collagenase D, DMEM high glucose culture medium, serum free)

112 for 3 hrs (one embryo per dish) at 37 °C. During the period of incubation, the mice

113 gender was identified by genotyping and only male samples were chosen for further

114 processing. The tissues with medium were gently pipetted to disperse cell aggregates

115 and filtered through 40 µm cell strainer, then centrifuged for 10 min at 400 g. The pellet

116 was suspended with 0.4% BSA in PBS.

117

### 118 **Cell fractionation**

119 All cells were fractionated by fluorescence-activated cell sorting (FACS). A MoFlo XDP  
120 sorter (Beckman Coulter, Miami, FL, USA) was used to collect YFP<sup>+</sup> cells, and  
121 Propidium Iodide was used to exclude dead cells.

122

### 123 **Single cell RNA sequencing**

124 GemCode™ Single Cell platform (10X Genomics) was used to determine the  
125 transcriptomes of single cells<sup>16</sup>. Cells at 1000 / μl were obtained after sorting and  
126 placed on ice. One sample was selected and profiled based on the viability and amount.  
127 A total of 6000 cells were loaded, followed by GEM-RT reaction, and cDNA  
128 amplification. Single cell libraries were constructed by attaching P7 and P5 primer sites  
129 and sample index to the cDNA. Single cell RNA sequencing was performed on Illumina  
130 NextSeq 500 and HiSeq 2500 to a median depth of 168,000 reads per cell.

131

### 132 **Analysis and visualization of scRNA seq data**

133 CellRanger (version 2.0.0) was used to perform the original processing of single cell  
134 sequencing reads, aligning them to the mm10 reference genome. We used the  
135 command line interface of Velocity, version 1.7.3, to count reads and attribute them as  
136 spliced, un-spliced, or ambiguous<sup>17</sup>. The resulting loom file was then subjected to  
137 quality control processing, normalization, estimation of cell cycle phase, clustering, and  
138 differential gene expression analysis using Scanpy 1.5.1<sup>18</sup>. Specifically, we excluded

139 cells in which mitochondrial gene content exceeded 5% of the total reads or cells in with  
140 fewer than 501 unique genes detected. Then, we excluded genes that were detected in  
141 fewer than 3 cells, as well as mitochondrially-encoded genes, genes encoding  
142 ribosomal components, and the highly expressed lncRNA Malat1, resulting in a data set  
143 of 2,267 cells and 15,071 genes. Then, we performed an initial normalization on a per  
144 cell basis followed by log transformation, and scaling. We scored the phases of cell  
145 cycle using cell cycle-associated genes as previously described <sup>19</sup>. Then we identified  
146 the genes that were most variably expressed across the whole data set, resulting in  
147 2,176 genes. We performed PCA and inspected the variance ratio plots to determine  
148 the 'elbow', or number of PCs that account for most of the total variation in the data. We  
149 generated a graph of cell neighbors using diffusion maps <sup>20</sup>, and then we performed  
150 Leiden clustering <sup>21</sup>, which we visualized with a UMAP embedding <sup>22</sup>. We also analyzed  
151 this with SingleCellNet <sup>23</sup>, which had been trained using the Tabula Muris data set <sup>24</sup>.  
152 Using a combination of SingleCellNet classification and manual annotation, we  
153 identified and removed non-joint cells as described in main text. Differentially expressed  
154 genes were identified using the Scanpy rank\_genes\_groups function. Gene set  
155 enrichment analysis was performed using GSEAPY  
156 (<https://github.com/zqfang/GSEAPy>), a Python interface to enrichR <sup>25,26</sup>. scVelo was  
157 used to compute cell velocities as previously described <sup>27</sup>. CellRank was used to infer  
158 the starting and end states, and to compute the probability of each cell transitioning to  
159 each end state. We performed GRN analysis with Epoch <sup>28</sup> for each trajectory (i.e.  
160 progenitor 8 to chondrocyte, and progenitor 8 to lining cells) separately by first isolating  
161 those cells in progenitor cluster 8 and progeny clusters based on CellRank probability of

162 reaching the selected terminal state, Cells within a trajectory were then ordered based  
163 on velocity pseudotime.

164

### 165 **Histochemistry and immunohistochemistry**

166 The specimens were fixed in 10% buffered formalin for 24 hrs at RT, washed with  
167 distilled water and equilibrated in 30% sucrose in PBS at 4°C overnight, then mounted  
168 in O.C.T and frozen at -80°C. Ten-micrometer-thick coronal-oriented or sagittal-oriented  
169 sections were performed by cryostat. We performed Trichrome staining according to  
170 Trichrome Stain (Connective Tissue Stain) Kit protocol. Immunostaining was performed  
171 using a standard protocol. Sections were incubated with primary antibodies to mouse  
172 GFP (1:200) in Antibody Diluent, at 4 °C overnight followed with three 5 min washes in  
173 TBST. The slides were then incubated with secondary antibodies conjugated with  
174 fluorescence at room temperature for 1 h while avoiding light followed with three 5 min  
175 washes in TBST and nuclear stained with mounting medium containing DAPI. Images  
176 were captured by Nikon EcLipse Ti-S, DS-U3 and DS-Qi2.

177

### 178 ***In situ* hybridization**

179 See KRT table for the information of oligonucleotides used for templates for antisense  
180 RNA probes. The T7 and SP6 primer sequence were added to 5- and 3- prime end,  
181 respectively. SP6 RNA polymerase was used for probe transcription. Probes were  
182 synthesized with digoxigenin-labeled UTP and hybridized at 68 °C overnight. Results  
183 were visualized by Alkaline phosphatase-conjugated anti-digoxigenin antibody and  
184 BCIP/NBT substrates.

185

## 186 **RNAscope Hiplex**

187 RNAscope Hiplex probes were designed by Advanced Cell Diagnostics (ACD), Inc.

188 Assays were performed according to ACD provided protocol as described in our previous  
189 study <sup>5</sup>. See KRT table for details.

190

## 191 **3. Results and discussion**

### 192 **3.1 Gdf5Cre<sup>+</sup> cells in the knee joint from E17.5 Gdf5<sup>Cre</sup>R26<sup>EYFP</sup> mouse are located** 193 **in the superficial cartilage, ligament, menisci, synovium and non-joint tissues**

194 To further study the heterogeneity of Gdf5-lineage cells at later stage of synovial joint  
195 development, we isolated YFP<sup>+</sup> cells from the knee joint region of Gdf5Cre::R26EYFP  
196 (Gdf5EYFP) mice at E17.5 by enzymatic disassociation and fluorescence activated cell  
197 sorting (FACS) <sup>5</sup>(**Supp Fig 1A,B**). A total of 2,648 cells were captured by the 10x  
198 Genomics Chromium platform and sequenced at a depth of 168,241 reads per cell  
199 (**Supp Table 1**). There were 2,267 cells remaining after removing potential doublets and  
200 low-quality libraries. We found nine clusters by the Leiden graph-based community  
201 detection algorithm <sup>21</sup> (**Supp Fig 2A**). We used a combination of automated cell-typing  
202 and marker gene expression to assign putative identity to the clusters. We removed  
203 cells representing types that do not contribute to major joint components, including  
204 hematopoietic cells (clusters 2, 3, 6, and 8), myoblasts (cluster 4), neural crest derived  
205 cells (Sox10 positive cells), endothelial cells and smooth muscle cells (**Supp Fig 2B-C**).  
206 After this process, a total of 1,306 Gdf5-lineage enriched (GLE) cells remained and  
207 were analyzed in depth. To localize these GLE cells, we applied IHC on knee joint

208 sections of E17.5  $Gdf5^{Cre}R26^{EYFP}$  mice. YFP+ cells were detected in the superficial  
209 cartilage, cruciate ligament, menisci, synovium, and in the surrounding soft tissue, and a  
210 small number of cells were detected in the deeper zone of cartilage (**Fig 1A-B**).

211

### 212 **3.2 Transcriptional signatures define nine groups of GLE cells**

213 We re-clustered the single cell data to determine the major transcriptional states and  
214 identities of the GLE cells. Using Leiden clustering, we found nine groups of cells (**Fig**  
215 **2A**). To annotate these clusters, we used a combination of differential gene expression  
216 analysis and gene set enrichment analysis, followed by validation with ISH and  
217 RNAscope, as described below. Examining the genes preferentially expressed in each  
218 cluster immediately gave some hints as to their identity (**Fig 2B**). For example, we  
219 identified cluster 1 as chondrocytes by the expression of *Col2a1*, *Col9a1*, *Col9a3*, and  
220 the enrichment of the GO category "Cartilage development" (**Fig 2C**). Similarly, we  
221 identified cluster 2 as ligamentocytes based on the expression of *Scx*, *Tnmd*, and *Thbs4*  
222 <sup>29</sup> and the enrichment of the GO category "Collagen fibril organization", a prediction that  
223 we confirmed by RNAscope (**Fig 2D**).

224 Cluster 3 cells uniquely expressed *Col22a1* and *Tspan15* (**Fig 3A**). Collagen XXII  
225 expression has been reported to be restricted to tissue junctions of muscle and articular  
226 cartilage <sup>30</sup>. Similarly, an examination of *Col22a1* at e16.5 also found that it was  
227 expressed at the superficial layer <sup>14</sup>, suggesting that cluster 3 represented a population  
228 of superficial lining cells. To test this hypothesis, we performed ISH and RNAscope to  
229 determine where cluster 3 genes were expressed in the joint. We detected *Col22a1* in a  
230 very thin fibrous sheath lining the cartilage surface and menisci by ISH (**Fig. 3B**).

231 Tspan15, a gene encoding a member of the tetraspanin family of cell surface proteins,  
232 has very similar expression pattern as Col22a1. We found that Tspan15 was also  
233 expressed at the superficial layer of articular cartilage and meniscus (**Fig. 3B**). Taken  
234 together with the observation that cluster 3 also expressed Prg4 and Crip2<sup>31</sup> (**Supp Fig**  
235 **3A**), we conclude that the cells in this cluster comprise the lining or 'skin' of articular  
236 cartilage.

237 The preferential expression of fibroblast genes Dcn, Mfap2<sup>32</sup>, and Dlk1 in  
238 clusters 4, 5, 6, and 7 (**Fig 2B, Fig 3D**) supports the notion that these clusters are  
239 mesenchymal cells of the joint. Cluster 8 was made up of a mixture of proliferating  
240 chondrocytes and mesenchymal cells (**Fig 3D**).

241 Cluster 4 was marked by high levels of expression of Cd55, Thy1, and Has1  
242 indicative of synovial fibroblasts<sup>33</sup>. We note that many of these cells co-express genes  
243 that have previously be reported to distinguish inner synovial fibroblasts (Thy1) from  
244 synovial lining fibroblasts (Cd55, Has1). This discrepancy can be explained by species  
245 specific differences or in developmental timing differences between our data and prior  
246 reports.

247 The fact that no genes were substantially preferentially expressed in cluster 8  
248 made it more challenging to identify. We noticed that it had detectable levels of genes  
249 that are preferentially expressed in chondrocytes (e.g. Acan and Cd9) (**Supp Fig 3B**),  
250 superficial lining cells (e.g. Crip1 and Crip2) (**Supp Fig 3C**), and in mesenchymal cells  
251 (e.g. Arl6ip5, Lmna, and Ptn) (**Supp Fig 3D,E**). This suggested that this cluster may  
252 represent a less-differentiated progenitor population expressing features of multiple  
253 downstream progeny. To determine the localization of this population, we examined the

254 expression, *in situ*, of Col2a1, Acan, and Ptn, which collectively distinguished  
255 chondrocytes, stromal cells, and cluster 8 cells in our single cell data (**Fig 4A**). While  
256 Col2a1 was strongly expressed by chondrocytes in articular cartilage, we found that its  
257 expression was sparse and weak in menisci (**Fig 4B**). Although Acan expression was  
258 co-localized with Col2a1, its expression was evenly distributed in the inner menisci at a  
259 relatively low level as compared with its expression in the long bones. Ptn, on the other  
260 hand, was strongly expressed in menisci. Taken together, these observations support  
261 the notion that cluster 8 cells are found predominately in the meniscus at e17.5.

262

### 263 **3.3 RNA velocity predicts common transcriptional origin of synovial fibroblasts,** 264 **ligamentocytes, articular chondrocytes, and lining cells**

265 Next, we performed RNA Velocity analysis to determine how the GLE cells were related  
266 to each other. In brief, RNA Velocity uses the ratio of spliced to un-spliced transcript  
267 counts to model transcriptional kinetics, which are then used to predict the future  
268 transcriptional state of each cell <sup>17,34</sup>. Our application of RNA Velocity to e17.5 GLE cells  
269 revealed several general patterns of cell dynamics. First, we found that cells within each  
270 cluster were still undergoing dynamic transcriptional re-modeling (**Fig 5A**). Second, in  
271 most clusters, the velocities were unidirectional, for example, the chondrocyte velocities  
272 were pointing in the direction of higher Col2a1 and Col9a1 expression. Some clusters  
273 had unidirectional velocities towards another cluster, for example, the stromal cluster 5  
274 largely had velocities <sup>35</sup> towards stromal cluster 6. Third, stromal clusters 7 and 8 clearly  
275 had velocities towards two or more other clusters, indicating that these clusters  
276 represented multi-potent progenitor populations.



277 To summarize these patterns of transcriptional velocity, we used PAGA, which  
278 consolidates the individual cell trajectories into connectivity's between clusters <sup>36</sup>. PAGA  
279 analysis predicted that cluster 7 flows into the stromal lineages (clusters 5 and 6), the  
280 synovial fibroblasts (cluster 4). Cluster 7 also flows into cluster 8, which subsequently  
281 flows into the chondrocyte, lining, and ligament clusters (**Fig 5B**). This suggested that  
282 the cells of clusters 7 and 8 continued to serve as a reservoir of progenitor cells. To  
283 explore this possibility more rigorously, we used the CellRank computational tool, which  
284 uses a combination of RNA velocities and cell-cell similarities to infer fate potential in  
285 scRNA-Seq data <sup>35</sup>. CellRank identified cluster 7 as an initial cluster from which cells  
286 traverse trajectories towards terminal states represented by cluster 1 (chondrocytes),  
287 cluster 2 (ligamentocytes), cluster 3 (lining cells), cluster 4 (synovial fibroblasts), and  
288 cluster 5 (stromal cells) (**Fig 5C-D**). It is possible that cluster 7 progenitor cells are  
289 residual, or late differentiating, interzone cells as they do express detectable levels of  
290 genes *Htra1* and *Sfrp2* (**Fig 5E**) that are expressed at earlier time points in the interzone  
291 <sup>5</sup>. However, this does not exclude the possibility that they are more recently immigrated  
292 *Gdf5*-lineage cells that primarily contribute to meniscus and intra-articular ligament <sup>37</sup>.

293

### 294 **3.4 FGF-MAPK signaling distinguishes early from late stages of GLE**

#### 295 **differentiation**

296 Next, we sought to identify the signaling pathways that regulated transitions from the  
297 progenitor populations to each of the more differentiated end points: ligamentocytes,  
298 synovial fibroblasts, chondrocytes, and lining cells. To achieve this, we first performed  
299 differential gene expression analysis on the pairs of cell clusters that were predicted by

300 RNA Velocity, PAGA, and CellRank to be immediately related to each other (**Fig 6A**).  
301 These pairs were 7 (prog) to 8 (prog), 7 (prog) to 4 (synfib), 8 (prog) to 3 (line), 8 (prog)  
302 to 2 (liga), and 8 (prog) to 1 (chon). Then we calculated the extent to which genes  
303 upregulated in each cluster (as compared to their immediate progenitor) were enriched  
304 in known targets of 18 effectors of nine signaling pathways crucial in development  
305 (FGF-MAPK, FGF-PI3K, FGF-STAT, Hedgehog, Hippo, Notch, TGFb-BMP, TGFb-  
306 Activin, and Wnt).

307 We found that targets of Etv5, an effector of the FGF-MAPK pathway, and Yap1,  
308 the effector of the Hippo pathway, were highly enriched in both the progeny of cluster 7:  
309 cluster 4 (synfib) and cluster 8 (prog) (**Fig 6B**). Many of the enriched genes are  
310 associated with proliferation, such as Rbms1, Hmga1b, and Map2k1, consistent FGF-  
311 MAPK's and Hippo's role in controlling the size of progenitor pools<sup>38,39</sup>. On the other  
312 hand, some signaling pathways were either only enriched in one progeny cluster (e.g.  
313 WNT\_Ctnnb1 in the synovial fibroblast cluster 4) or were enriched in both but had  
314 distinct targets activated. For example, chondroprogenitor master regulator and FGF-  
315 STAT\_Stat3 target Sox9 is only activated in the progenitor cluster 8, whereas the FGF-  
316 STAT\_Stat3 target Ly6a is mainly activated in the synovial fibroblast cluster 4 (**Fig 6B**).

317 When we examined the pathways enriched in progeny of cluster 8, we again  
318 found pathways that were unique to each lineage, pathways that were enriched in more  
319 than one lineage, and pathways that were commonly enriched but had distinct target  
320 genes upregulated in different lineages. FGF-STAT\_Stat3 targets were upregulated in  
321 chondrocytes, ligamentocytes, and lining cells compared to their progenitors in cluster  
322 8. Both Prg4, which encodes lubricin, and the Egf ligand Hbegf, which is upregulated in

323 osteoarthritis <sup>40</sup>, are FGF-STAT\_Stat3 targets upregulated in the lining and chondrocyte  
324 clusters (**Fig 6C**). FGF-STAT\_Stat3 targets that are unique to each lineage include  
325 endothelial-associated Aqp1 and Cd81 in lining cells; Fabp5, Klf6, and Btg1 in  
326 ligamentocytes; and Efna1, Vwa, Farp1 in chondrocytes. Interestingly, the chondrocyte  
327 cluster was not marked by enrichment of any other signaling pathway, suggesting that  
328 in the absence of other signaling events, it is the default fate from the progenitor 8 state.  
329 We also note that nascent ligamentocytes were marked by enrichment of WNT  
330 signaling and that the effector targets included the tenocyte/ligamentocyte regulator  
331 Scx, as well as Lox, and Col18a1, which are genes encoding proteins important to the  
332 structural integrity of ligament <sup>41</sup>. A summary of our analysis of signaling pathways and  
333 the targets of their effectors is depicted in **Figure 6D**.

334

### 335 **3.5 Identification of transcriptional circuits underpinning joint population** 336 **diversity**

337 Many lineage specific genes were not predicted to be directly regulated by effectors of  
338 the signaling pathways that we analyzed. In addition to signaling pathways, cell intrinsic  
339 gene regulatory networks (GRN) contribute to cell fate choice and differentiation during  
340 development <sup>42</sup>. To identify the GRNs that underpin joint cell diversification and  
341 differentiation, and in particular to identify the regulators of lineage specific genes, we  
342 used Epoch, which leverages pseudotemporal ordering to infer dynamic GRNs <sup>28</sup>.  
343 Epoch defines lineage- or trajectory-specific GRNs, and it divides these temporally into  
344 time periods, or epochs, to identify dynamic regulatory relationships. The rationale  
345 behind this approach is that developmental GRNs change as cells differentiate such

346 that transcription factors can regulate different genes in different lineages and at  
347 different stages of development within a lineage.

348 We used Epoch to reconstruct the GRNs governing the transitions from the  
349 progenitor cluster 8 to the chondrocyte cluster 1 and the lining cell cluster 3. We were  
350 particularly interested in identifying the biological pathways that characterized each time  
351 period, their regulators, and the regulators of genes specific to each lineage (e.g.  
352 Col22a1 in the lining cluster and Col9a3 in the chondrocyte cluster) and genes shared  
353 in both lineages (e.g. Hbfg and Prg4). Therefore, we first used Epoch to identify the  
354 major time periods that marked the progression from progenitor cluster 8 to the  
355 chondrocyte cluster 1, and we performed gene set enrichment analysis on genes  
356 preferentially expressed in each resulting time period (**Fig 7A**). The early stage of  
357 chondrocyte differentiation was characterized by the extracellular matrix organization,  
358 regulation of insulin-like growth factor receptor signaling pathway, and skeletal system  
359 development GO Biological Process categories. The presence of both ECM-production  
360 genes and of insulin-like growth factor pathway genes is consistent with the observation  
361 that IGF activation enhances the synthesis of cartilage matrix, and our analysis  
362 indicates that this is an early event in articular cartilage differentiation<sup>43</sup>. While the  
363 intermediate, transition stage was not enriched in any category, the final stage was  
364 enriched in cholesterol biosynthetic process, regulation of chondrocyte differentiation,  
365 and negative regulation of cell-substrate-adhesion. The activation of cholesterol  
366 metabolism programs is consistent with prior studies that link RORalpha expression to  
367 chondrocyte differentiation<sup>44</sup>. The negative regulation of cell-substrate adhesion may  
368 play a role in how mesenchymal progenitors cells acquire the stereotypic spherical

369 morphology of chondrocytes. Indeed, over-expression of *Melff*, one in this pathway that  
370 is up-regulated in the final stage of the articular chondrocyte trajectory, in ATDC5 cells  
371 promotes a more chondrocyte-like shape and promotes differentiation <sup>45</sup>.

372         Next, we sought to identify the regulatory circuits that contribute to the overall  
373 chondrocyte trajectory and to identify the transcription factors that directly regulate  
374 articular chondrocyte specific genes. Therefore, we used Epoch to infer the dynamic  
375 GRNs associated with the chondrocyte differentiation trajectory. To identify the most  
376 influential transcription factors at each stage, we computed betweenness and degree,  
377 which measure the centrality and number of direct neighbors that a transcription factor  
378 has in a GRN, respectively (**Supp Fig 4**). This analysis revealed identified *Plagl1*, which  
379 has previously been documented as being co-localized at sites of chondrogenesis <sup>46</sup>, as  
380 a prominent regulator at all three stages, albeit as an activator of early stage genes  
381 such as *Col3a1*, *Arid5b*, and *Sfrp2* but a repressor of late stage genes such as *Timp1*,  
382 *Slc1a5*, and *Hbegf* (**Supp Table 2**). *Tgif1* followed a similar pattern, as it is predicted to  
383 promote expression of early stage genes such as *Aspn*, *Clec3b*, *Osr1*, *Ptn*, and *Vim*, but  
384 repress later stage genes such as *Acan*, *Col11a1*, *Col2a1*, and *Col9a1* (**Supp Table 3**).  
385 The top overall regulator of the final stage was the Wnt effector *Lef1*, consistent with its  
386 documented role in specifically promoting a superficial articular chondrocyte phenotype  
387 <sup>47</sup>.

388         Finally, we sought to better understand how genes indicative of the progenitor  
389 stage and the later chondrocyte stage were directly regulated. We chose to examine the  
390 regulators of *Clec3b*, *Col9a3*, and *Prg4* as exemplars of the progenitor and articular  
391 chondrocyte stages (**Fig 7B**). In the early stage, expression of *Clec3b*, which encodes a

392 heparin-bind protein associated with osteoarthritis<sup>48,49</sup>, is promoted by Atf3 and the  
393 mesenchymal regulator Twist1, suggesting that the up-regulation of Clec3b in OA is a  
394 re-activation of a latent developmental program that contributes to collagen fibril  
395 synthesis. Several other TFs that promote Clec3b expression are also predicted to  
396 repress Col9a3, including Tgif1, Ebf1, and Klf6. The intermediate stage is characterized  
397 by loss of regulatory interactions, both the activating influence of TFs on Clec3b and  
398 factors that repress expression of Col9a3. In the final stage, Clec3b is repressed by  
399 several TFs including Sox5 and the transcriptional repressors Id1 and Id2. On the other  
400 hand, the factors that repress Col9a3 are lost by the late stage whereas TFs that  
401 promote its expression, Foxa3, Atxn1, and Etv5, are all active in the last stage. Our  
402 analysis did not predict any repressive factors for Prg4. Rather, its up-regulation seems  
403 to be controlled by the activation of a cohort of TFs in the late stage, including Sox6 and  
404 Barx1, as well as several genes that encode proteins involved in chromatin remodeling  
405 (e.g. Ino80, and Pih1d1) and nuclear paraspeckles (e.g. Pspc1), which would be  
406 consistent with a model of repression by nucleosome occlusion of Prg4 regulatory  
407 regions.

408         Next, we performed a similar series of analyses to the differentiation trajectory of  
409 the lining cells (cluster 3). The early stage was enriched in largely the same GO  
410 categories as in the chondrocyte trajectory (e.g. extracellular matrix organization,  
411 collagen fibril organization, and skeletal system development), the intermediate stage  
412 also lacked enriched GO categories, but the final stage was enriched in negative  
413 regulation of mitotic cell cycle phase transition and negative chemotaxis (**Fig 7C**). There  
414 were similarities and differences in the most influential regulators of the lining trajectory

415 as compared to the articular chondrocyte trajectory, too. For example, as in the  
416 chondrocyte trajectory, *Atf3* and *Tgif* were top regulators of the early stages of the lining  
417 trajectory. However, *Cnbp*, a transcription factor implicated in craniofacial development  
418 and predicted to promote proliferative programs <sup>50</sup>, was only found to be a top regulator  
419 in the lining trajectory where it was predicted to up-regulate early and intermediate  
420 stage genes. The top regulators of the final stage of the lining trajectory included *Gata2*,  
421 which was previously implicated as a repressor of MSC fate commitment <sup>51</sup>, *Sox5*, the  
422 loss of which ablates *Prg4* expression in lining cells <sup>52</sup>, and *Creb5*, which promotes  
423 *Prg4* expression in the superficial zone <sup>53</sup>. Finally, we sought to better understand how  
424 genes indicative of the progenitor stage and the later lining stages were directly  
425 regulated. We chose to examine the regulators of *Ptn*, *Tspan15* and *Prg4* as exemplars  
426 of these stages (**Fig 7D**). Expression of the early stage marker *Ptn* was promoted by  
427 several TFs common to the early stage of the chondrocyte trajectory, including *Tgif1*  
428 and *Ets2*. During the intermediate stage, the lining marker *Tspan15* was remained  
429 largely repressed by TFs such as *Cebpd* and *Egr1*, however, the Wnt effector *Tcf4*,  
430 which is predicted to promote *Tspan15*, became active. By the final stage, *Ptn* was  
431 repressed by a cohort of TFs including *Barx1* and *Sox5*, *Tspan15* expression was  
432 promoted by *Sox5*, *Tcf4*, and *Creb5*, and *Prg4* expression was promoted by *Creb5*,  
433 *Tbx18* and *Gata2*. The top predicted regulators of *Prg4* in the lining cells (i.e. *Creb5*,  
434 *Tbx18*, and *Gata2*) differed from those in chondrocytes (i.e. *Barx1*, *Sox6*, and *Pih1d1*),  
435 consistent with the idea that the regulatory programs needed to activate transcription of  
436 the same target gene vary by epigenomic context.  
437

#### 438 **4. Conclusions**

439 In summary, we have identified nine groups of GLE cells by scRNA-seq, including  
440 chondrocytes, superficial lining cells, ligamentocytes, synovial fibroblasts, fibrochondro-  
441 progenitors, stromal cells, and dividing cells. Differentiation from the early progenitor  
442 (Cluster 7) stage involved activation of WNT, FGF-MAPK, TGF $\beta$ , and HIPPO signaling  
443 pathways (**Fig 6D**), and targets of the Wnt effector Tcf7l2 were enriched in the  
444 fibrochondro-progenitors (cluster 8) whereas targets of Ctnnb1 were enriched in the  
445 synovial fibroblast cluster. Furthermore, signaling through the same pathway had  
446 distinct effects on these two lineages: the FGF-STAT cascade up-regulated Sox9 in  
447 cluster 8 cells but upregulated Ly6a in synovial fibroblasts. Many signaling pathways  
448 were detected as enriched in differentiation of the fibrochondro-progenitor cluster  
449 towards the ligamentocyte lineage and the lining cell lineage, whereas the articular  
450 chondrocyte lineage was enriched only in the FGF-STAT pathway suggesting that it is  
451 the default fate of these progenitors. Finally, dynamic GRN reconstruction identified  
452 Atf3, Plagl1, Tgif1 as major regulators of the chondrocyte differentiation trajectory, and  
453 Cnbp, Fosl1, and Gata2 as major regulators of the lining cell differentiation trajectory. In  
454 conclusion, our study will be a valuable resource for the community to further explore  
455 the gene signatures, signaling pathways, and regulatory networks associated with  
456 synovial joint development and how they relate to diseases such as osteoarthritis. We  
457 have made our data and analysis results available for the community to explore at  
458 <https://e17-mouse.herokuapp.com>

459

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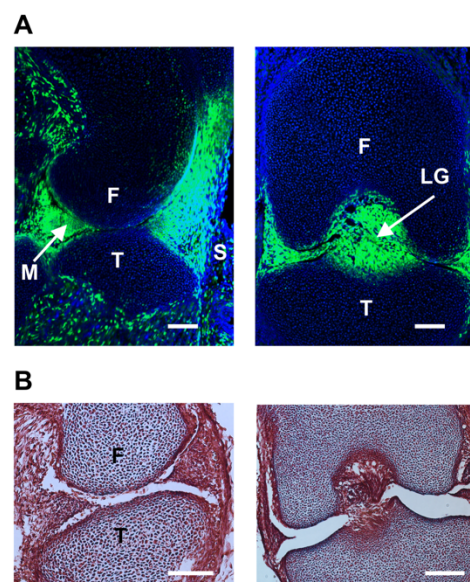
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## Figure 1

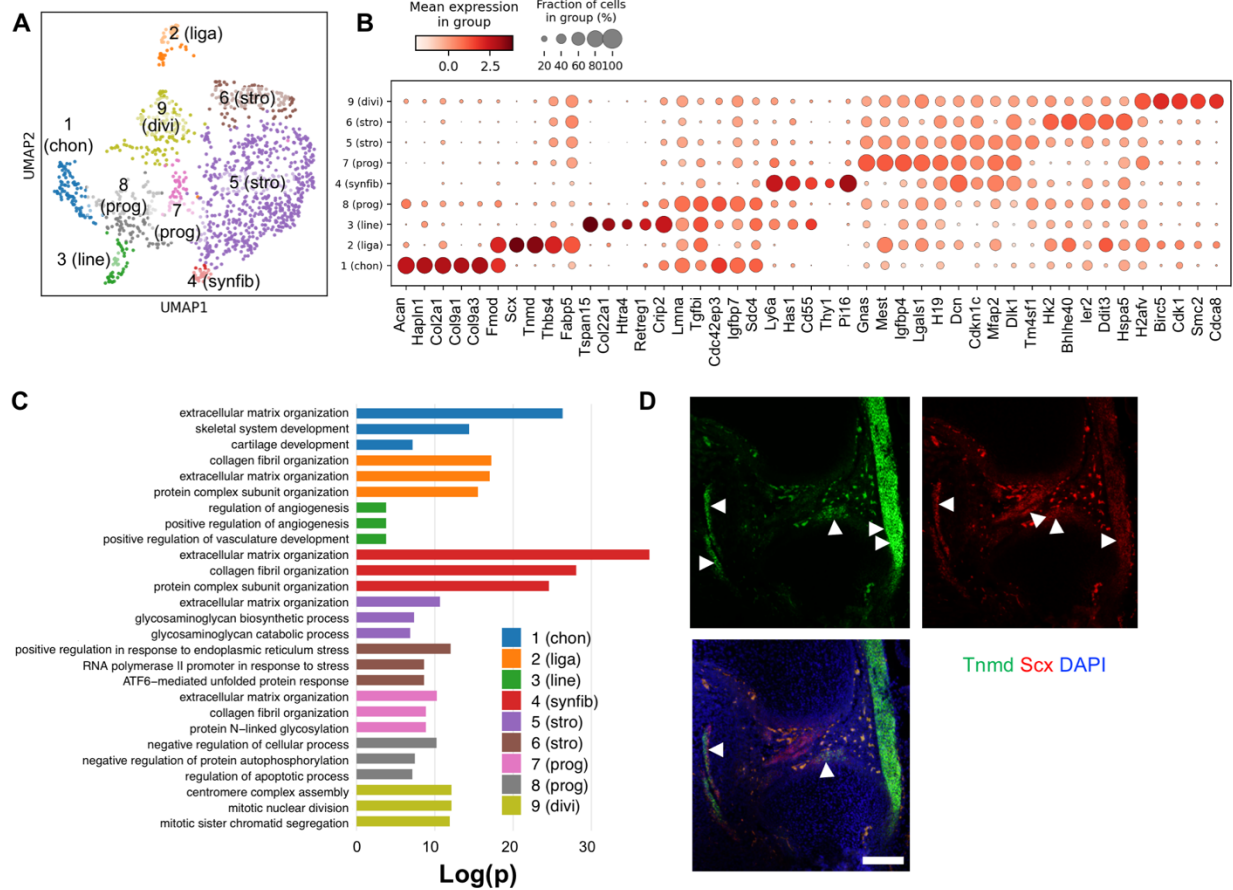


620

621 **Figure 1: Localization of Gdf5-lineage cells.** (A) IHC staining for GFP in sagittal section (left)  
622 and coronal section (right) of E17.5 knee joint. DAPI stains nucleus blue. (B) Morphology of  
623 E17.5 knee joint as indicated by Trichrome staining. Scale bar = 100  $\mu$ M. F: Femur, T: Tibia, M:  
624 Meniscus, S: Synovium, CL: Crucial ligament



**Figure 2**



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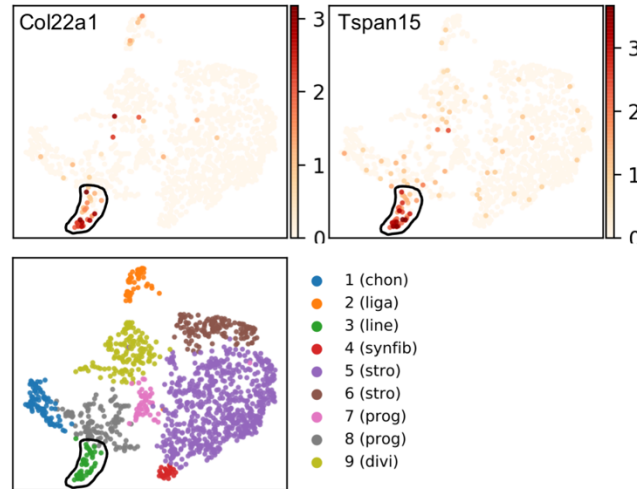
626

627 **Figure 2: Identification of nine groups of GLE cells.** (A) Leiden clustering and UMAP  
628 embedding of GLE cells, colored by cluster. (B) Dot plot of the top 5 differentially expressed  
629 genes in each cluster. (C) Top three enriched categories per group by gene set enrichment  
630 analysis. (D) Coronal sections of E17.5 knee joint showing expression of Tnmd (green) and Scx  
631 (red) marking cluster 2 (liga) cells. DAPI stains nucleus blue.

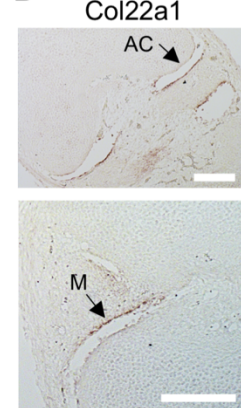


### Figure 3

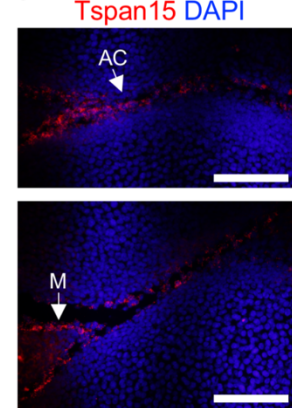
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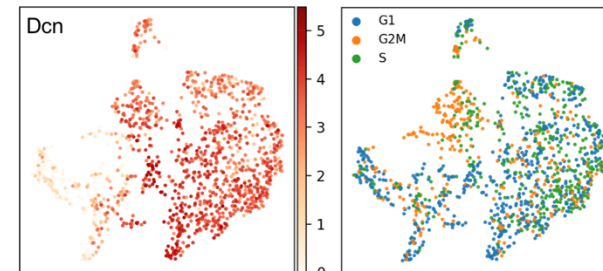
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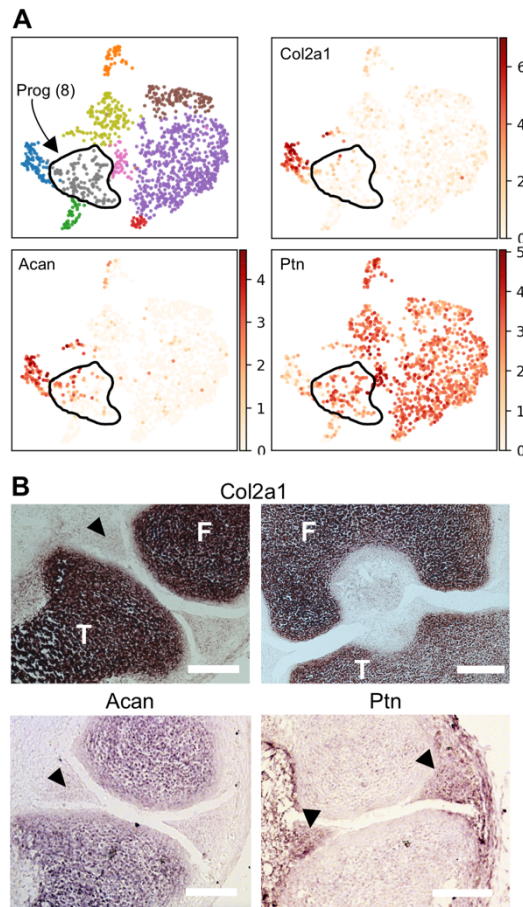


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633

634 **Figure 3: Cluster 3 is identified as a population of superficial lining cells.** (A) Distribution of  
635 two Cluster 3 representative genes: Col22a1 and Tspan15. (B) ISH staining for Col22a1 and (C)  
636 RNAscope detection for Tspan15 of E17.5 knee joint sections. Arrows indicate positive staining  
637 at superficial layer of articular cartilage (upper panel) and meniscus (lower panel), Scale bar =  
638 100  $\mu$ M. AC: articular cartilage, M: meniscus. (D) Gene expression pattern of Dcn (left) and  
639 predicted phase of cell cycle in each group (right).

## Figure 4



640

641

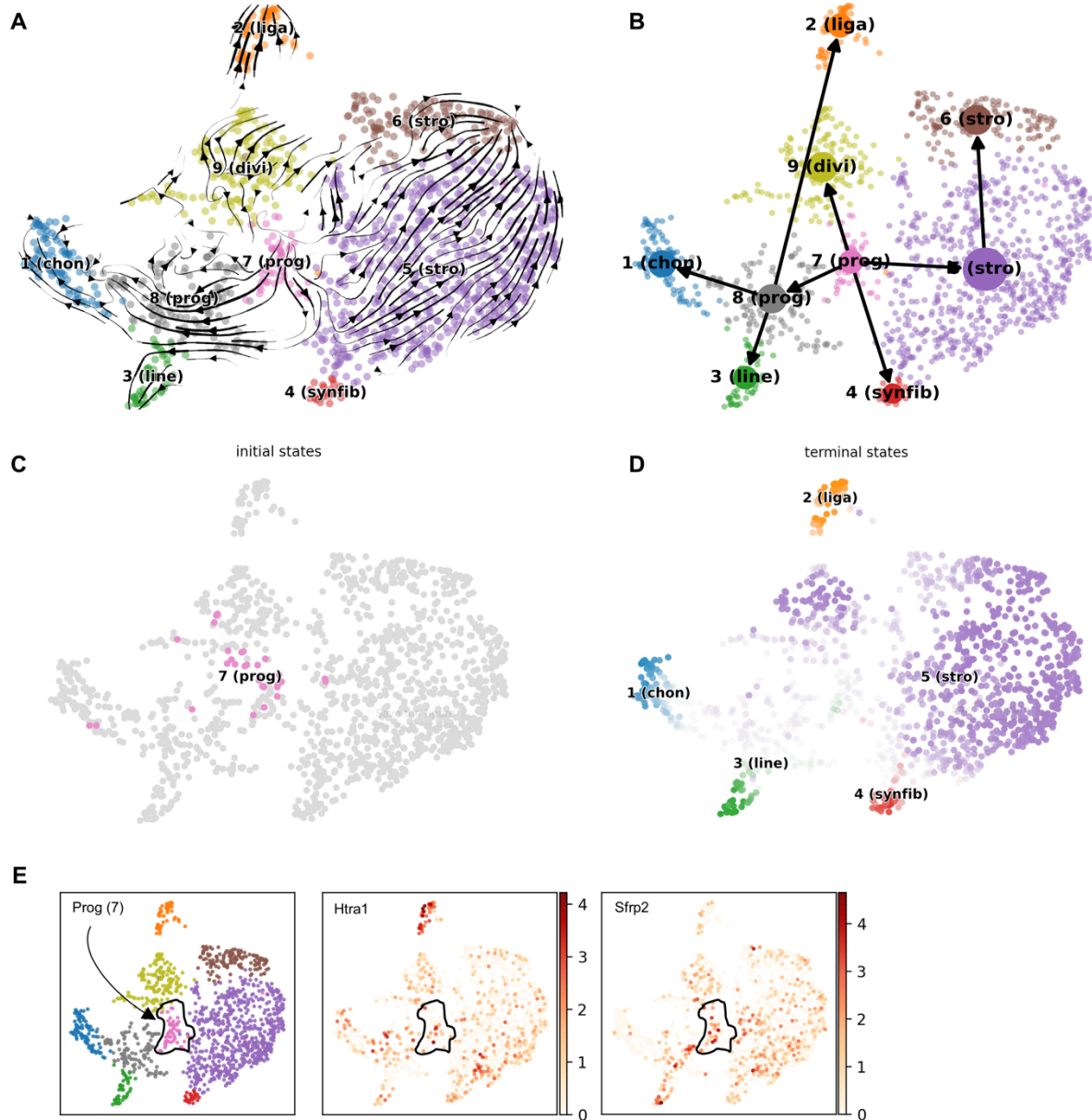
642 **Figure 4: Cluster 8 is composed of fibro-chondrogenic progenitors that are localized at**

643 **e17.5 in the meniscus.** (A) Gene expression patterns of Col2a1, Acan, and Ptn. (B) IHC

644 detection for Col2a1, Acan, and Ptn. Arrows point meniscus. Purple represents positive. Scale

645 bar = 100  $\mu$ M.

**Figure 5**

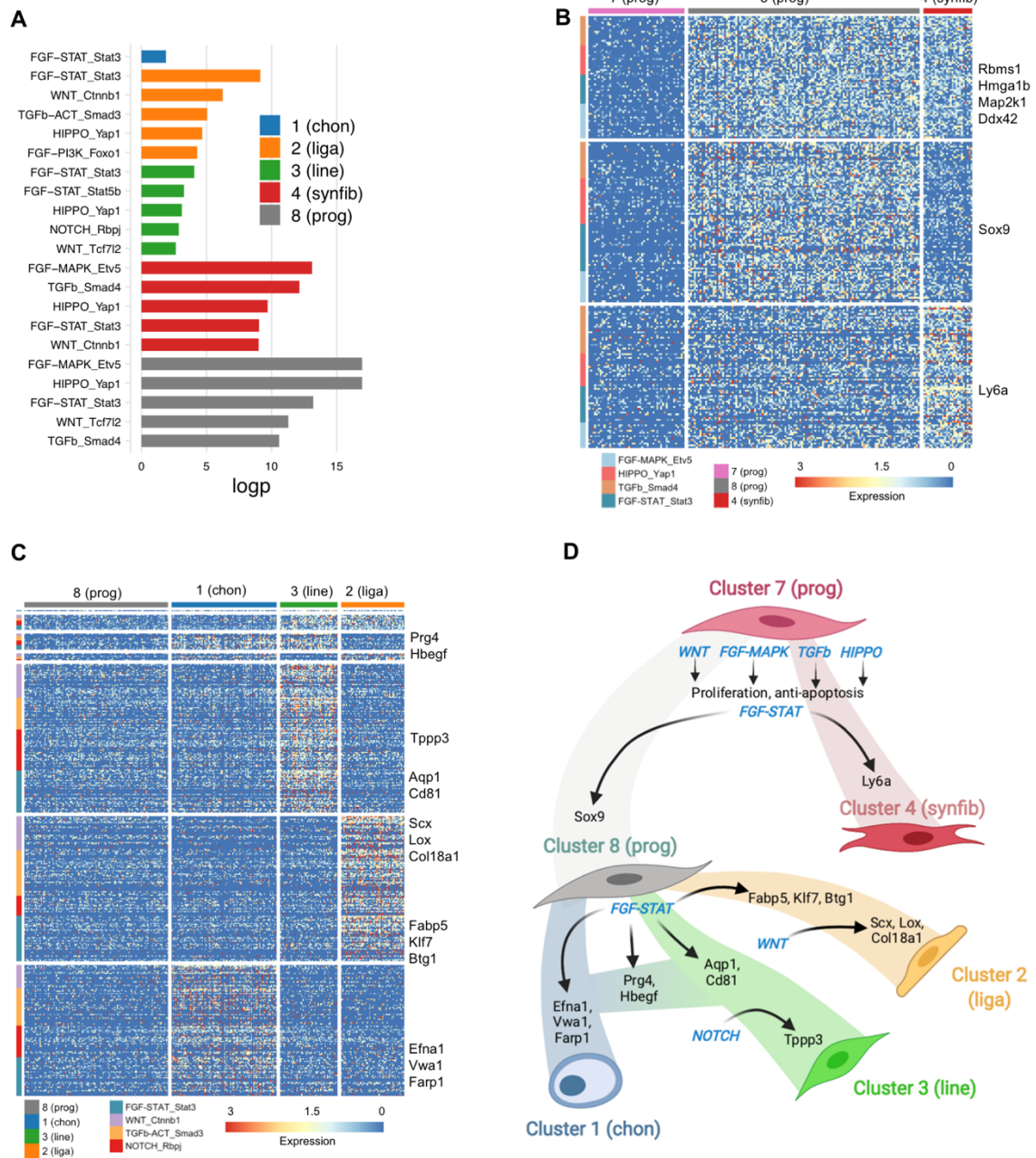


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647

648 **Figure 5: Developmental relationship among GLE cells.** (A) RNA velocity analysis. Arrows  
649 indicate the predicated future state of cells. (B) PAGA analysis. Arrows summarize the RNA  
650 velocity results between clusters. CellRank identifies initial (C) and terminal (D) states of cell  
651 fate potential. Cells are colored by states. (E) Expression of interzone genes Htra1 and Sfrp2 in  
652 progenitor cluster 7.

**Figure 6**

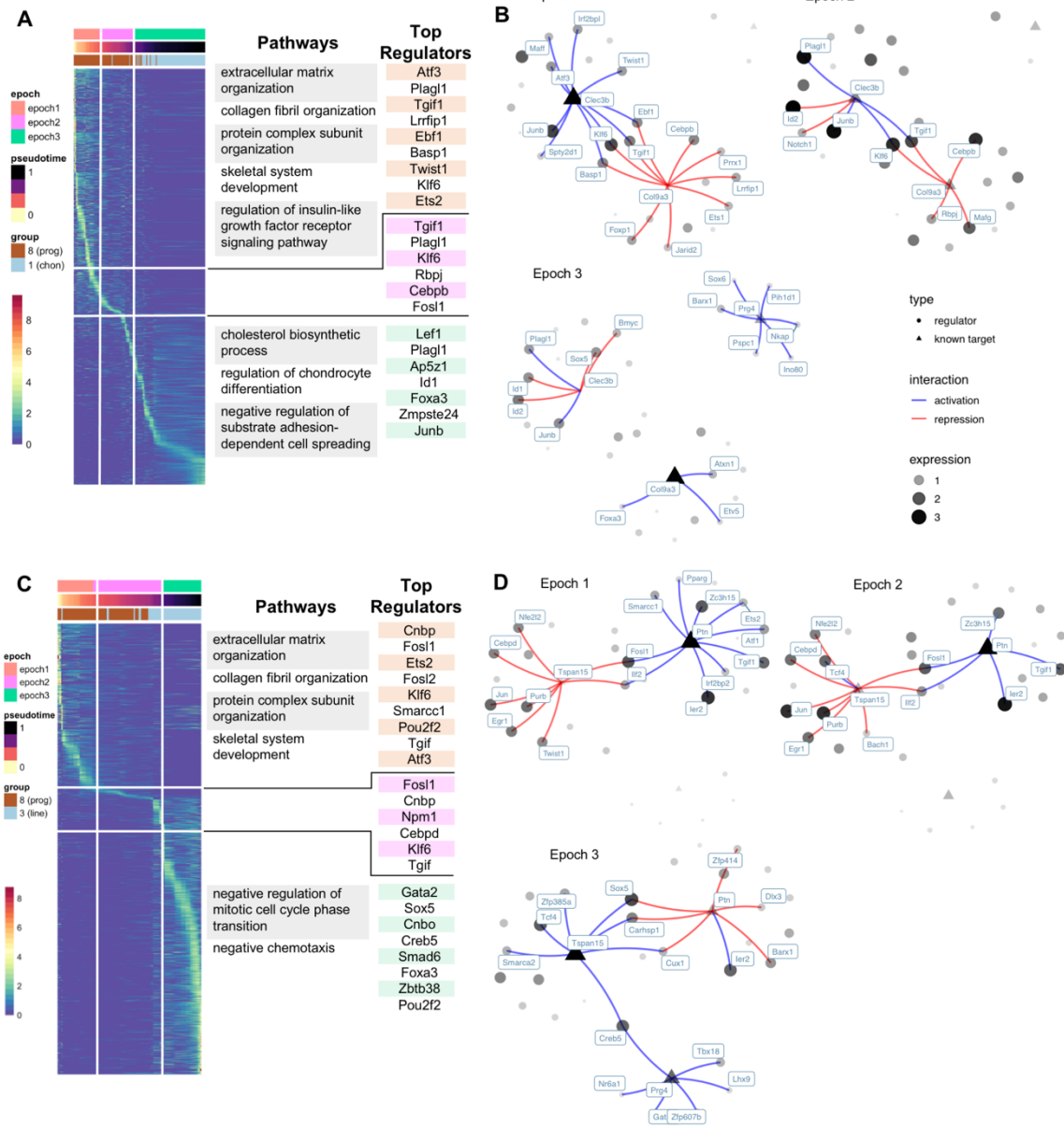


653

654 **Figure 6: Signaling pathways that contribute to GLE cell differentiation.** (A) Gene set  
 655 enrichment of genes up-regulated in each cluster relative to the clusters predicted progenitor  
 656 state. Gene signatures tested were gene sets of signaling pathway effector targets as  
 657 determined by ChIP-Seq. Clusters 4 and 8 were compared to cluster 7. Clusters 1, 2, and 3  
 658 were compared to cluster 8. (B-C) Heatmap showing the genes of enriched signaling pathways  
 659 in Cluster 8 vs 7 and Cluster 4 vs 7 (B), and Cluster 1, 2, or 3 vs cluster 8 (C). (D) Diagram of  
 660 signaling pathways regulating transitions between indicated cell states.



**Figure 7**



661

662 **Figure 7: Dynamic GRNs that govern the transition from progenitor to chondrocyte and**

663 **lining cell.** (A) Heatmap of genes dynamically expressed along the chondrocyte trajectory.

664 Epoch divides cells (columns) and genes (rows) into stages or epochs. Results of enrichment

665 analysis of genes up-regulated in each epoch are shown to the right of the heatmap. The Epoch

666 algorithm also reconstructs dynamic gene regulatory networks (GRNs). The top regulators of

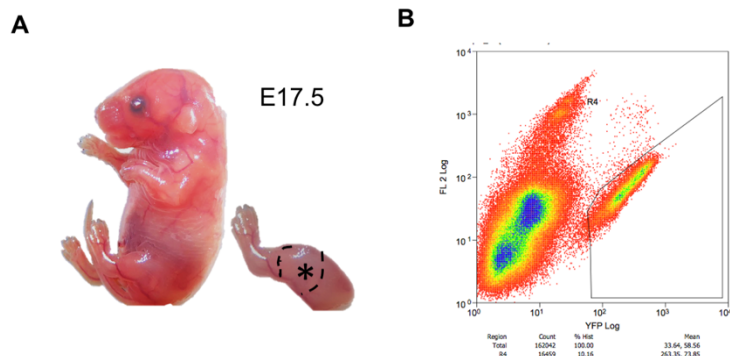
667 each epoch, determined by the network importance metrics of centrality and betweenness, are

668 listed to the right of the enrichment results. (B) Sub-networks of that exemplify genes specific to

669 the early (Clec3b) and late (Col9a3 and Prg4), and their regulators. (C-D) Similar to (A and B)

670 but analysis performed on progenitor to lining cells trajectory.

## Supplemental Figure 1



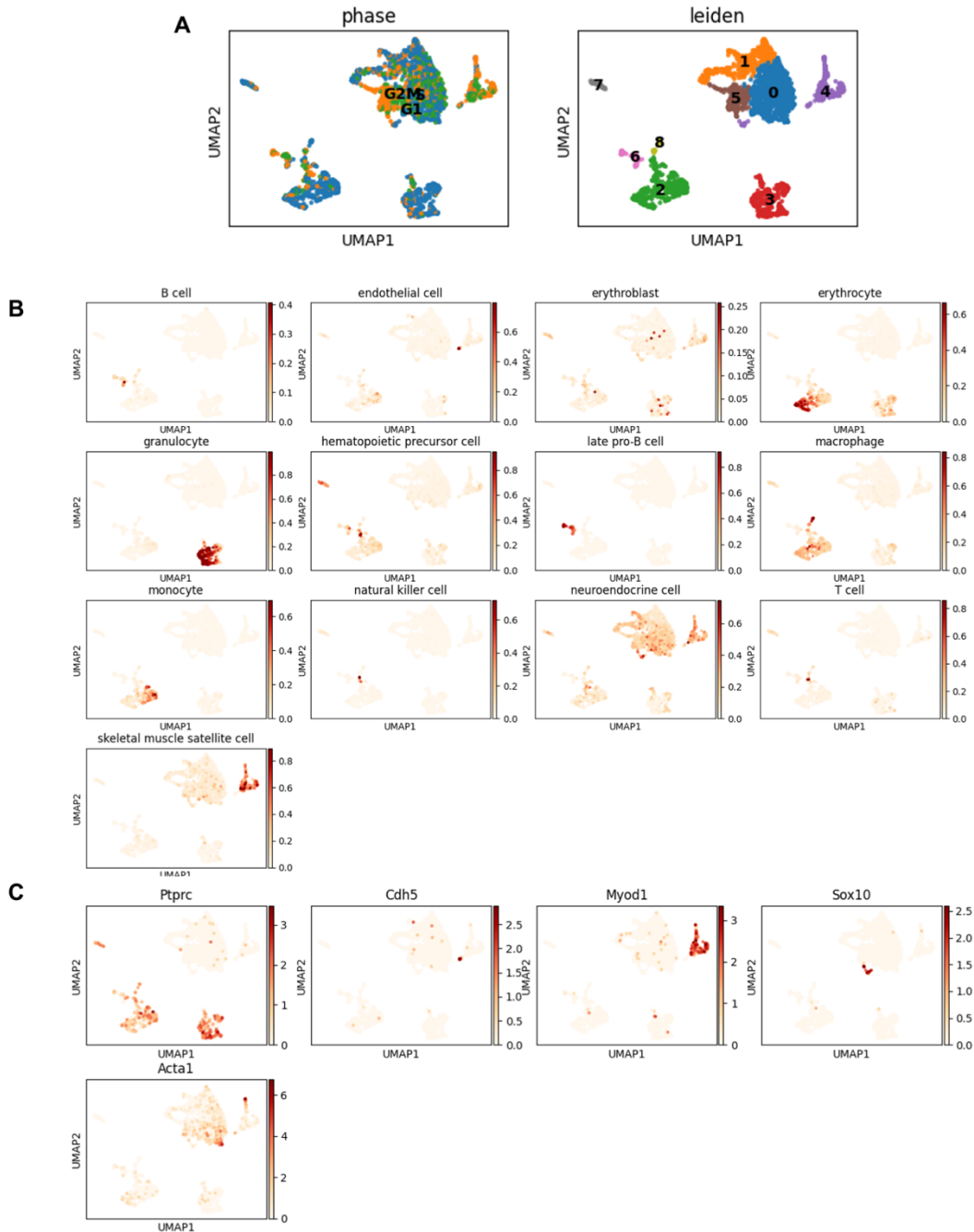
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672

673 **Supplemental Figure 1: YFP<sup>+</sup> cells collection.** (A) E17.5 mouse embryo and star labels the

674 region of hind limb dissected for cell isolation. (B) YFP<sup>+</sup> cell isolation by FACs.

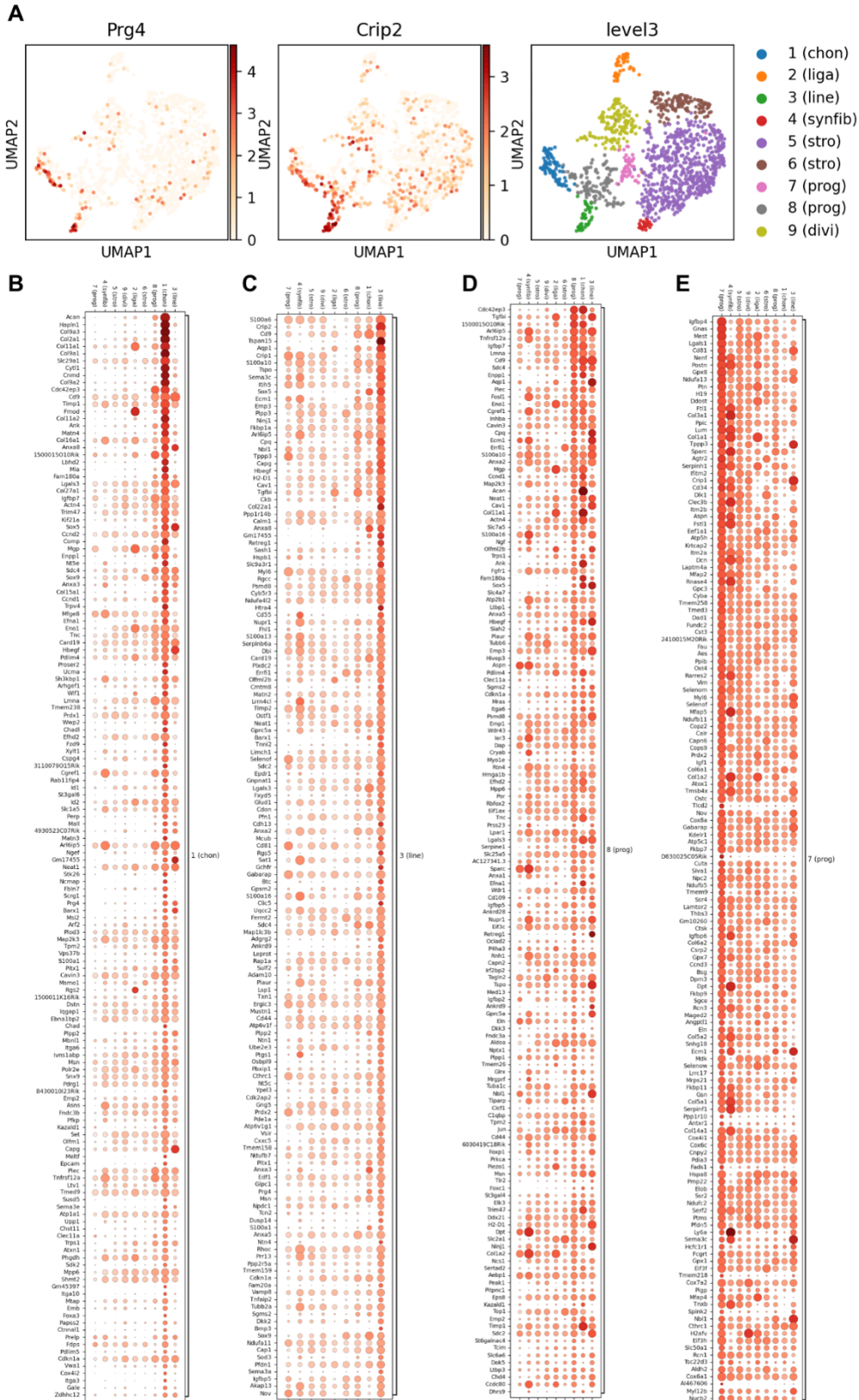
## Supplemental Figure 2



675

676 **Supplemental Figure 2: Initial clustering and identification of non-joint cells.** (A) Leiden  
677 clustering and UMAP embedding of 9 groups of 2,468 cells, colored by mitosis phase (left),  
678 groups (right). (B) Cell types annotated by SingleCellNet. (C) Expression of five marker genes  
679 (Ptpcr for blood cells; Cdh5 for endothelia cells; Myod1 for muscle cells; Sox10 for neural cells;  
680 Acta1 for smooth muscle cells).

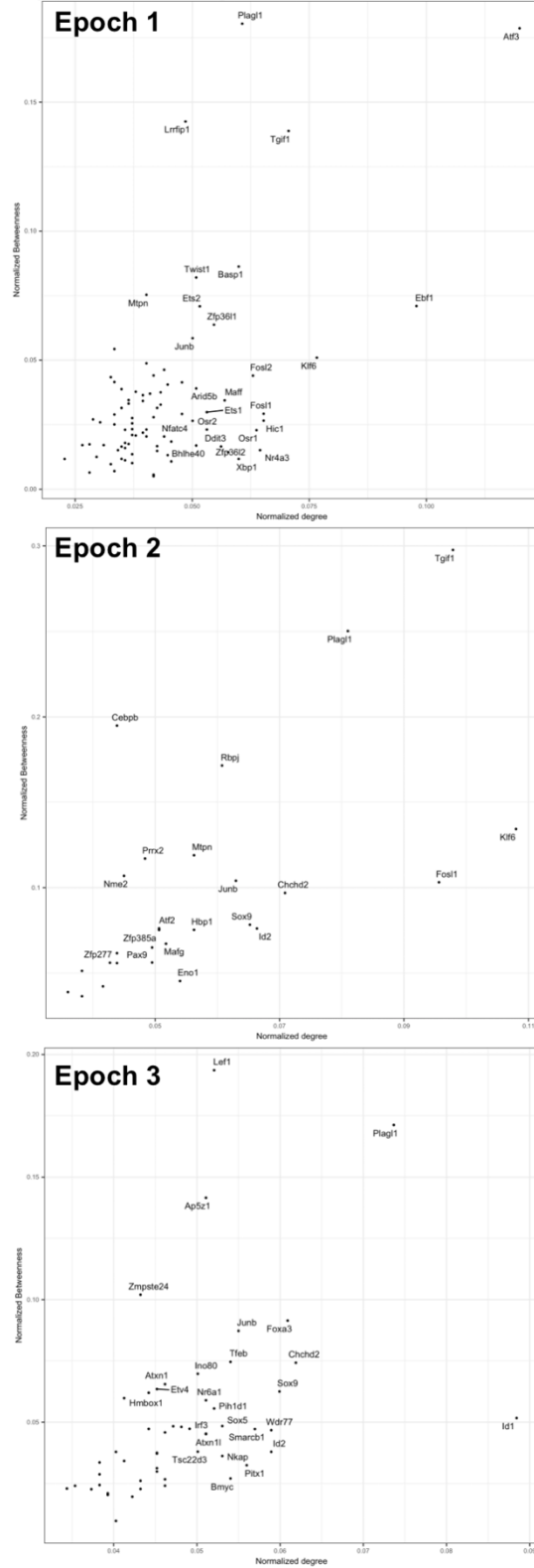
### Supplemental Figure 3





682 **Supplemental Figure 3: Identification of each cluster.** (A) Gene expression pattern of Prg4  
683 and Crip2. (B-E) Dot plots of 150 genes preferentially expressed in chondrocytes (B), lining cells  
684 (C), progenitors (cluster 8) (D), and progenitors (cluster 7) (E).

## Supplemental Figure 4

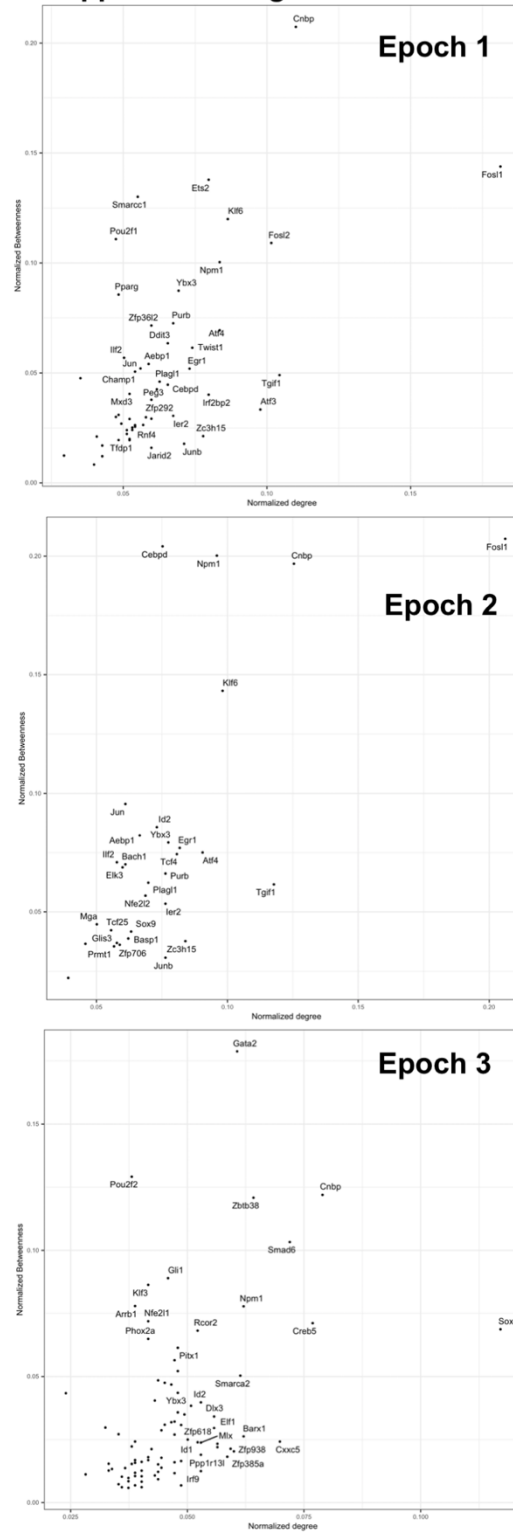


685

686 **Supplemental Figure 4: Regulators of Prog (cluster 8) to chondrocyte (cluster 1)**

687 **trajectory.**

### Supplemental Figure 5



688

689 Supplemental Figure 5: Regulators of Prog (cluster 8) to lining cell (cluster 3) trajectory.

### Supplemental Table 1

No. YFP+ cells	% YFP+ cells	No. Captured cells	No. GLE cells	No. reads	Median reads per cells	Median Genes per cell
100.88K	10.1%	2648	1306	365,925,644	168,241	2,882

690

691 **Supplemental Table 1: Statistics on cells collected for scRNA-Seq.** 'Cells captured' is  
692 determined by 10X CellRanger. GLE cells indicate the number of cells remaining after excluding  
693 cells unlikely to be GDF5-lineage, including hematopoietic cells, myoblasts, neural crest derived  
694 cells, endothelial cells and smooth muscle cells.

695

696 **Supplemental Table 2: GRNs of Prog (cluster 8) to chondrocyte (cluster 1).** TG = target  
697 gene, TF = transcription factor, zscore = context-sensitive metric of association between TF and  
698 TG, corr = Pearson correlation coefficient of expression between TF and TF. Offset = the  
699 amount of pseudotime that the TF profile must be shifted in order to reach a maximal correlation  
700 with the TG.

701

702 **Supplemental Table 3: GRNs of Prog (cluster 8) to lining cell (cluster 3).** TG = target gene,  
703 TF = transcription factor, zscore = context-sensitive metric of association between TF and TG,  
704 corr = Pearson correlation coefficient of expression between TF and TF. Offset = the amount of  
705 pseudotime that the TF profile must be shifted in order to reach a maximal correlation with the  
706 TG.