

1 **Differential chondrogenic differentiation between iPSC-derived from healthy and**
2 **OA cartilage is associated with changes in epigenetic regulation and metabolic**
3 **transcriptomic signatures**

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21 **Running Title:** Epigenetic and metabolic memory influences the chondrogenic potential
22 of iPSCs.

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36 **ABSTRACT:**

37 Induced pluripotent stem cells (iPSCs) are potential cell sources for regenerative
38 medicine. The iPSCs exhibit a preference for lineage differentiation to the donor cell type
39 indicating the existence of memory of origin. Although the intrinsic effect of the donor cell
40 type on differentiation of iPSCs is well recognized, whether disease-specific factors of
41 donor cells influence the differentiation capacity of iPSC remains unknown. Using viral
42 based reprogramming, we demonstrated the generation of iPSCs from chondrocytes
43 isolated from healthy (AC-iPSCs) and osteoarthritis cartilage (OA-iPSCs). These
44 reprogrammed cells acquired markers of pluripotency and differentiated into
45 uncommitted-mesenchymal progenitors. Interestingly, AC-iPSCs exhibited enhanced
46 chondrogenic potential as compared OA-iPSCs and showed increased expression of
47 chondrogenic genes. Pan-transcriptome analysis showed that chondrocytes derived from
48 AC-iPSCs were enriched in molecular pathways related to energy metabolism and
49 epigenetic regulation, together with distinct expression signature that distinguishes them
50 from OA-iPSCs. The molecular tracing data demonstrated that epigenetic and metabolic
51 marks were imprint of original cell sources from healthy and OA-chondrocytes. Our results
52 suggest that the epigenetic and metabolic memory of disease may predispose OA-iPSCs
53 for their reduced chondrogenic differentiation and thus regulation at epigenetic and
54 metabolic level may be an effective strategy for controlling the chondrogenic potential of
55 iPSCs.

56

57 **INTRODUCTION:**

58 Osteoarthritis (OA) is an inflammatory joint disease in which catabolic cascade of
59 events results in cartilage destruction leading to severe joint pain.¹ While non-surgical
60 procedures such as NSAID and steroid injections are helpful, the majority of OA cases
61 ultimately undergo joint replacement therapy. The induced pluripotent stem cells (iPSCs)
62 were recently proposed as a promising source to repair cartilage damage.^{2,3} While iPSCs
63 are seriously considered as potential cell sources for regenerative medicine,
64 accumulating evidence suggests that iPSCs from different cell sources have distinct
65 molecular and functional properties.⁴⁻⁸ It has been reported that iPSCs derived from
66 various somatic cell types exhibited a preference for differentiation into their original cell
67 lineages.^{4,9} Therefore, the effects of the cellular origin of iPSCs on their lineage-specific
68 differentiation capacity is an important consideration for cell replacement therapies, drug
69 screening, or disease modeling.

70 Several studies have determined that iPSCs retain a memory of their cellular origin
71 due to residual DNA methylation and histone modification patterns at lineage specific
72 genes. Thus, this residual 'epigenetic memory' has been shown to bias their subsequent
73 differentiation into their parental/donor cell lineage.¹⁰⁻¹² Although it is known that cellular
74 origin of iPSCs influences their differentiation capacity, the contribution of disease-

75 specific factors on the capacity of iPSC for chondrogenic differentiation remains unknown.
76 Examining potential differences between cells that reside in healthy versus OA
77 environments, would provide unique insight into the chondrogenic potential of these cells,
78 and their utility in disease modeling. Since OA articular chondrocytes exhibit different
79 features from healthy articular chondrocytes, we posit that the iPSCs derived from these
80 cell states represent the feature of their physiological origin. Thus, the memory of the cells
81 is not only specific to the tissue of origin but also to the physiological status which further
82 influences the differentiation capacity and ultimately the efficiency of tissue regeneration.

83 In the present study, we aimed to determine whether iPSCs derived from healthy
84 and diseased (OA) cartilage possess differential chondrogenic potential, and whether OA
85 disease status significantly limits their differentiation capacity. To this end, we derived
86 iPSCs from healthy (AC-iPSCs) and OA chondrocytes (OA-iPSCs) and compared their
87 differentiation capacity into chondroprogenitors and chondrocytes. During differentiation
88 of iPSCs into chondrocytes, we determined the epigenetic and metabolic marks of cellular
89 memory. Our results showed that iPSCs derived from healthy chondrocytes (AC-iPSCs)
90 exhibited an enhanced potential for chondrocyte differentiation as compared to OA-
91 iPSCs. Our data further demonstrate that although reprogramming of OA chondrocytes
92 induced pluripotency, the OA-iPSCs retained the epigenetic and metabolic marks
93 associated with pathological conditions of diseased chondrocytes and retention of this
94 cellular memory influence their chondrogenic commitment and thus regenerative capacity
95 for the cartilage repair. Our findings indicate that regulating the epigenetic modifiers and
96 energy metabolism may be an effective strategy for enhancing the chondrogenic potential
97 of iPSCs derived from chondrocytes.

98

99 **RESULTS:**

100 **Characterization of iPSCs generated from healthy and OA articular chondrocytes:**

101 We previously reported the generation of iPSCs from healthy articular chondrocytes (AC-
102 iPSCs) and performed molecular, cytochemical, and cytogenetic analyses to determine the
103 pluripotency of generated iPSCs.¹³ In the present study, we used multiple clones of the
104 previously generated AC-iPSCs (clones #7, #14, and # 15), and compared their
105 pluripotency, progenitor properties and chondrogenic potential to that of newly generated
106 OA-derived iPSCs (OA-iPSCs) (clones #2, #5 and #8) (**Fig. 1A**). These colonies showed
107 positive alkaline phosphatase (ALP) staining, indicating an undifferentiated pluripotent
108 stem cell phenotype of both AC-iPSC and OA-iPSC clones (**Fig. 1B**). Stemness
109 characteristics of these iPSC clones was evaluated via qPCR assessment of key
110 pluripotency marker genes. The mRNA copy number of *SOX2*, *OCT4*, *NANOG* and *KLF4*
111 were comparable in AC-iPSCs and OA-iPSCs (**Fig. 1C**) indicating a similar level of
112 stemness identity between these iPSCs. Interestingly, *KLF4* expression was low as
113 compared to the other pluripotency gene in both iPSCs (**Fig. 1C**). Pluripotency was also

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Figure 1

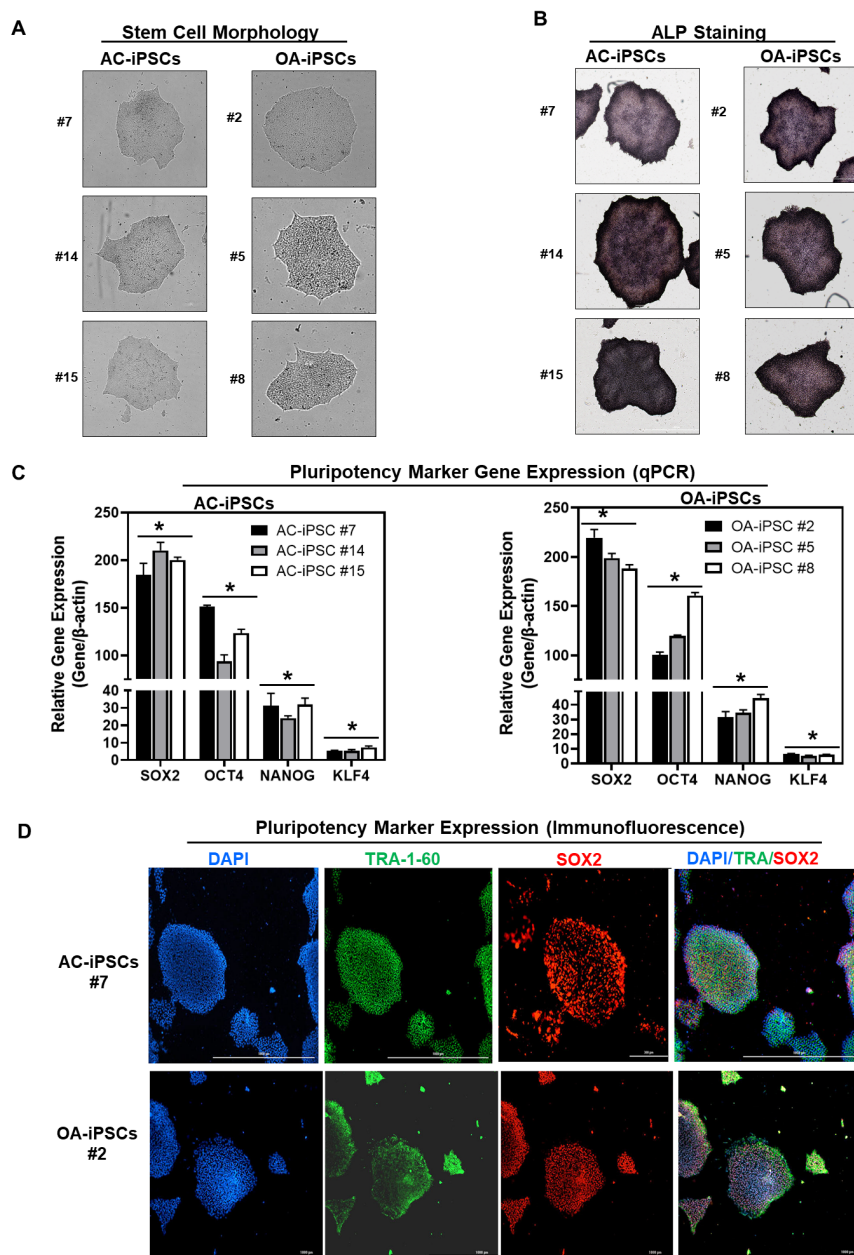


Figure 1: Characterization of iPSCs generated from healthy and OA articular chondrocytes: (A) Morphology of the AC-iPSC (#7, #14, #15) and OA-iPSC (#2, #5, #8) colonies in monolayer culture on a 0.1% Geltrex coated plate; **(B)** Alkaline phosphatase (ALP) staining of iPSC colonies showing undifferentiated pluripotent stage; **(C)** Pluripotency for iPSC colonies showing expression of stemness genes. RT-qPCR analyses showed induced expression of canonical stemness genes *SOX2*, *OCT4*, *NANOG* and *KLF4* in AC-iPSC and OA-iPSC colonies. β -actin served as the housekeeping gene and internal control. Represented gene expression data is relative to MSCs derived from respective iPSC cells. $*P \leq 0.01$, as compared to their respective MSCs. **(D)** Immunofluorescence staining of pluripotency markers in AC-iPSCs (#7) and OA-iPSCs (#2) showed expression of surface TRA-1-60 and SSEA-4 antigens in these colonies. DAPI is used as nuclear counterstain showing blue nuclei. Scale bar, 100 μ m

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115 colonies from both AC-iPSCs and OA-iPSCs showed positive expression of SOX2 and
116 TRA-1-60 proteins (**Fig.1D**).

117 **MSCs differentiated from AC-iPSCs and OA-iPSCs exhibit comparable phenotypic**
118 **features *in vitro***: Differentiation of human iPSCs into mature chondrocytes requires
119 derivation into an intermediate stage termed as mesenchymal progenitors.^{13;16;17;22}
120 Therefore, we generated mesenchymal progenitor intermediate from all three clones of
121 both AC- and OA-iPSCs using our established direct plating method in presence of serum
122 and human recombinant bFGF.^{17;22} MSCs derived from both AC-iPSCs (termed as AC-
123 iMSCs) and OA-iPSCs (termed as OA-iMSCs) displayed similar phenotypic
124 characteristics of spindle-shaped and elongated morphology (**Fig. 2A**). We next
125 performed detailed characterization of iMSCs from both sources to determine their
126 mesenchymal properties. Profiling by qPCR showed significant suppression of stemness
127 genes including SOX2 and OCT4, in both AC-iMSCs and OA-iMSCs as compared to the
128 parental undifferentiated AC-iPSCs and OA-iPSCs respectively (**Fig. 2B**). We also
129 analyzed the expression of marker genes associated with the mesenchymal lineage and
130 our results showed that mRNA expression of *TWIST1* (an epithelial to mesenchymal
131 transition related gene), *COL1A1* (an ECM molecule synthesized by MSCs) and *RUNX1*
132 (a transcription factor expressed in mesenchymal progenitors) was significantly higher in
133 both iMSCs as compared to the pluripotent parental iPSCs (**Fig. 2B**).

134 Consistent with the standard criteria defined by the International Society of Cell
135 and Gene Therapy (ISCT)¹⁸, immunophenotypic analyses revealed the exhibition of all
136 typical MSC markers in both iMSC progenitors with high expression levels of CD44,
137 CD73, CD90, CD105, and CD166 surface markers (**Fig. 2C**). Conversely, both iMSCs
138 largely lacked expression of the definitive hematopoietic lineage marker CD45, and the
139 endothelial marker CD31. Comparative analysis of these markers in AC-iMSCs and OA-
140 iMSCs showed comparable expression levels suggesting an identical immunophenotype
141 of both iMSCs (**Fig. 2D**). To determine the multipotential of these iMSCs, we performed
142 their trilineage differentiation using *in vitro* adipogenic, osteogenic, and chondrogenic
143 differentiation assays (**Supplementary Fig. 1A, B**). Although both MSCs could clearly
144 form osteoblasts, adipocytes, and chondrocytes, AC-iMSCs displayed enhanced
145 chondrogenic potential as evidenced by increased deposition of Alcian blue positive
146 extracellular matrix compared to OA-iMSCs (**Supplementary Fig. 1B**). Altogether, the
147 data suggest that iMSCs derived from AC-iPSCs and OA-iPSCs exhibit similarities in
148 morphology, immunophenotype, and multipotency as evidenced by *in vitro* differentiation
149 assays for adipocytes and osteoblasts. However, AC-iMSCs displayed increased
150 chondrogenic differentiation as compared to OA-iMSCs.

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Figure 2

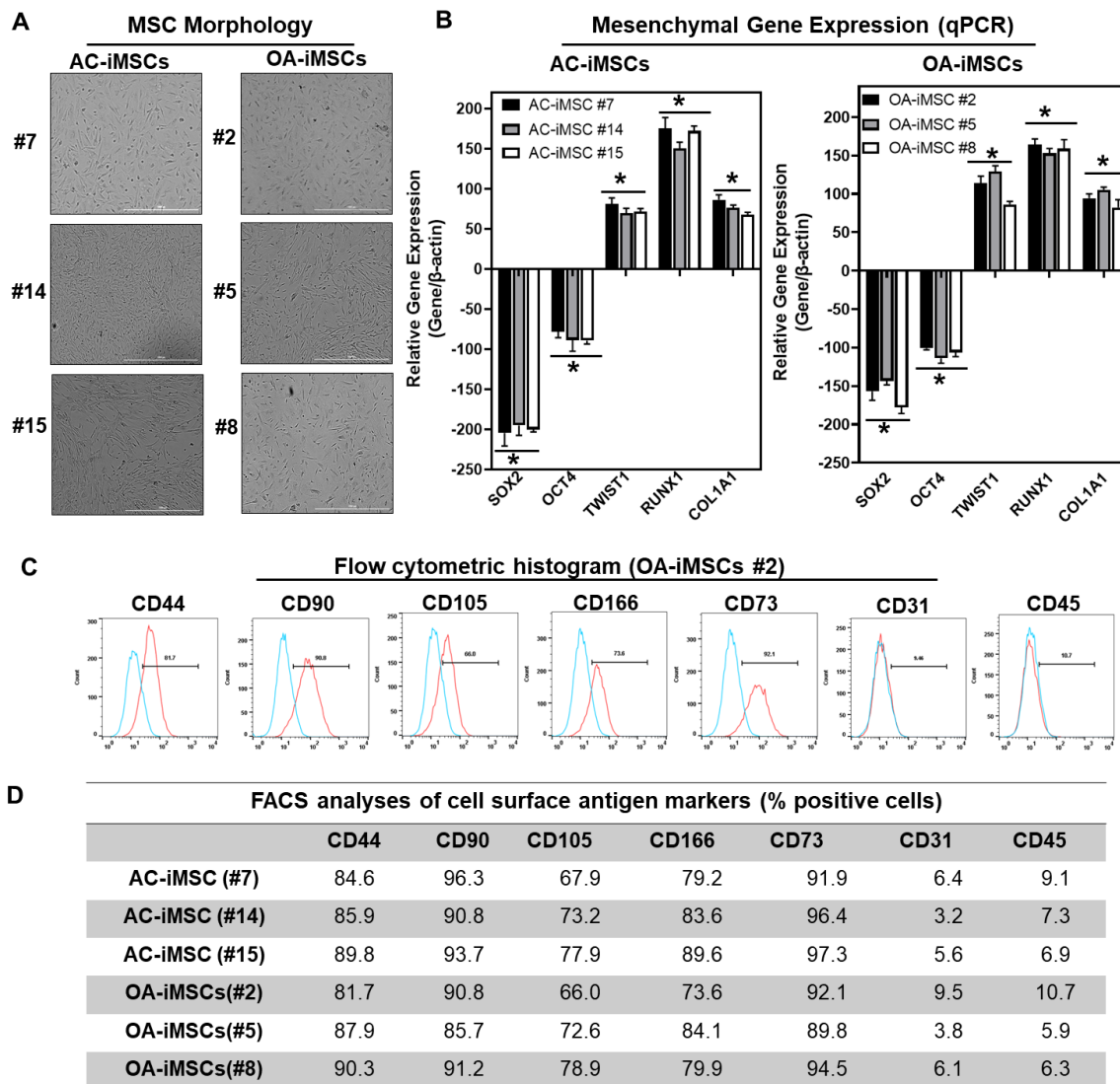


Figure 2: Derivation of iPSC-MSCs (iMSCs) like cells from AC- and OA-iPSCs and characterization of their mesenchymal feature: (A) The morphology of the iMSC-like cells (iPSC–MSC) derived from AC- and OA-iPSC showing elongated spindle shaped cells. Representative images are shown for iMSCs at passage 5-8. Scale bar, 100 μ m. (B) Gene expression analyses by qPCR showing significant suppression of pluripotent markers OCT4, and SOX2 and induction of mesenchymal genes TWIST1, COL1A1, and RUNX1 in the AC- and OA-iMSCs relative to their parental iPSCs. β -actin served as the housekeeping gene and internal control. Expression data is represented as fold change relative to respective parental iPSCs. * $P \leq 0.01$, as compared to their respective iPSCs. (C) Expression of surface antigens in AC- and OA-iMSCs by flow analysis. Representative flow cytometric histogram showing OA-iMSCs (#2) express markers associated with the mesenchymal phenotype (positive for CD44, CD73, CD90, CD105, and CD166; negative for CD31, and CD45). Red histogram shows antibody-stained population; Blue profile shows negative isotype-stained population. (D) Comparative flow cytometry analyses of AC-iMSCs (#7, #14, #15) and the OA-iMSCs (#2, #5, #8) showing similar cell surface expression profiles.

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155 **AC-iMSCs exhibit enhanced chondrogenic potential *in vitro*:** We next evaluated
156 whether AC-iMSCs exhibit higher propensity for chondrogenic differentiation as
157 compared to OA-iMSCs. Chondrogenic differentiation of these iMSCs were examined
158 using our well-established pellet culture method using chondrogenic media in the
159 presence of human recombinant BMP-2 (**Fig. 3A**).^{13;16;17;22} Quantitative PCR analyses of
160 key chondrogenic genes was used to evaluate the potential of AC-iMSCs and OA-iMSCs
161 to produce chondrocytes at days 7, 14, and 21. When compared to the undifferentiated
162 MSC culture (Day 0), induction of *SOX9*, *COL2A1*, and *ACAN* transcript was significantly
163 increased at day 7, and to a greater extent at day 14 (**Fig. 3C**). Interestingly, mRNA
164 expression of *SOX9*, *COL2A1*, and *ACAN* were significantly higher in AC-iMSCs as
165 compared to OA-iMSCs at all time points analyzed (Day 7, 14, 21) suggesting that iPSC
166 derived from healthy chondrocytes have a significantly higher chondrogenic potential as
167 compared to OA-iPSC (**Fig. 3C**).

168 We also performed chondrogenic differentiation of these iMSCs using high density
169 adherent micromass culture method. 3D-micromass culture of pluripotent stem cells
170 resemble the formation of prechondrogenic mesenchymal condensations and their
171 differentiation into the chondrogenic lineage.^{17;32} Alcian blue staining of Day 21
172 micromass culture of AC-iMSCs showed densely stained central core surrounded by a
173 diffusely stained outer cellular layer showing increased accumulation of glycoprotein-rich
174 matrix as compared to OA-iMSCs (**Fig. 3B**). Additionally, Alcian blue staining in AC-
175 iMSCs further showed increased cellular outgrowths and cartilaginous nodules,
176 confirming enhanced chondrogenic potential of AC-iMSCs as compared to OA-iMSCs
177 (**Fig. 3B**). These Alcian blue staining showing ECM synthesis are in line with the
178 expression data for the matrix genes. These data further indicate that iMSCs derived from
179 OA chondrocytes showed reduced ECM generation upon chondrogenic differentiation
180 which may be a retention of OA phenotype of original cell source.

181 **AC-iMSCs exhibit distinct transcriptomic signature during chondrogenic**
182 **differentiation:** To examine the underlying transcriptional programs associated with
183 enhanced chondrogenic potential of AC-iMSCs as compared to OA-iMSCs, we performed
184 RNA-seq analysis. We identified gene expression changes at pan-genome levels in day
185 21 differentiated chondrocytes from AC-iMSCs (#7) and OA-iMSCs (#5). The volcano plot
186 showed that global gene expression profiles of the chondrocytes at day 21 chondrogenic
187 culture of AC-iMSCs were significantly different from the OA-iMSCs (**Fig. 4A**). This
188 analysis identified 146 genes that were upregulated, and 263 genes that were
189 downregulated in chondrocytes derived from AC-iMSCs (termed as AC-iChondrocytes)
190 as compared to OA-iMSCs (termed as OA-iChondrocytes) (**Fig. 4A**). To validate these
191 findings, we performed quantitative gene expression analysis of a subset of DEGs such
192 as *FOXS1*, *ADAM12*, *COL1A1*, *COL3A1*, *MATN4*, and *MARK1* during chondrogenic
193 differentiation and analysis confirmed differential expression levels in AC- vs OA-
194 iChondrocytes (**Supplementary Fig. 2**).

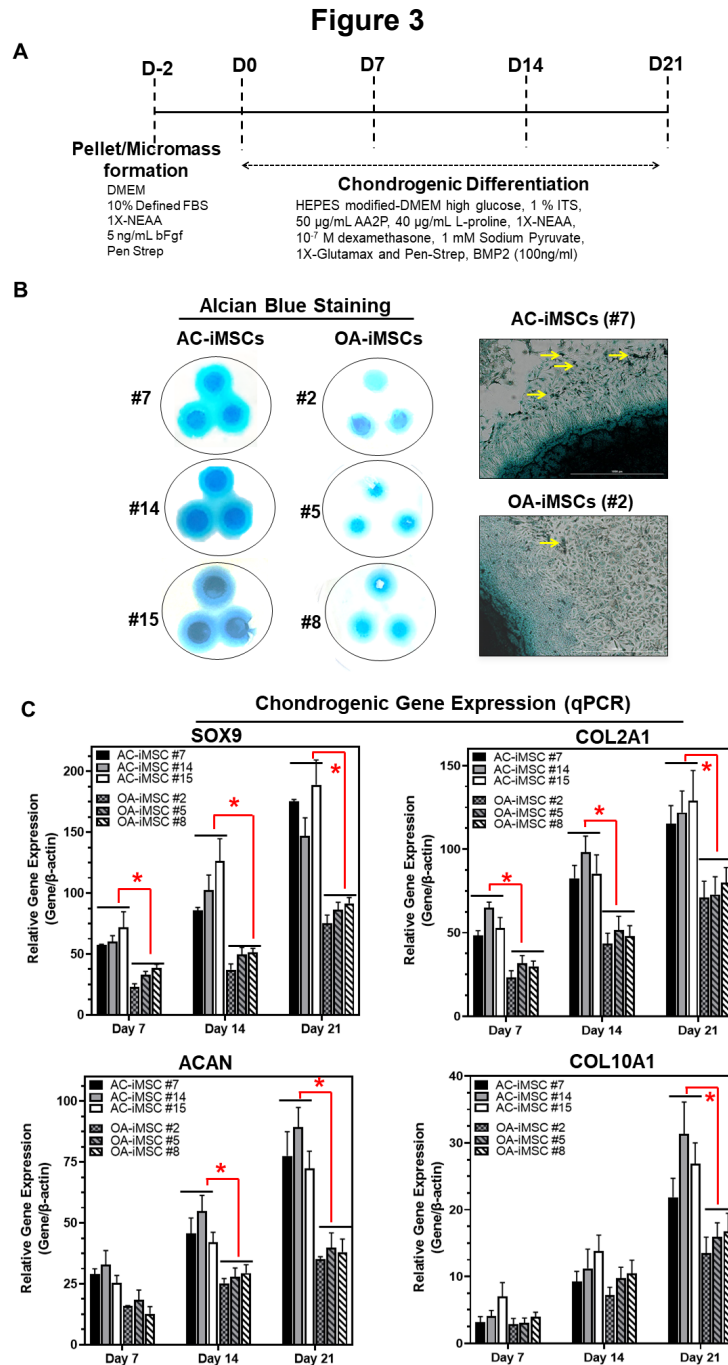


Figure 3: AC-iMSCs exhibit superior chondrogenic potential *in vitro*: (A) Schematic showing treatment conditions for *in vitro* chondrogenic differentiation of AC- and OA-iMSCs using pellet and micromass method. (B) Chondrocyte differentiation was shown by Alcian blue staining of micromass cultures in serum free chondrogenic media for 21 days with 100 ng/ml BMP2. Alcian blue staining revealed accumulation of sulfated proteoglycans indicating enhanced secretion of matrix in AC-iMSC as compared to OA-iMSCs micromass culture. High magnification images further demonstrated enhanced cellular compaction (yellow arrow) in AC-iMSCs micromass indicating the development of cartilaginous nodules. Scale bar, 100 µm. (C) Quantitative PCR analyses of the relative transcript levels of chondrogenic genes *SOX9*, *COL2A1*, *ACAN* and hypertrophic gene *COL10A1* in Day 7, 14, and 21 pellet culture of all three clones of AC- and OA-iMSCs. β-actin served as the housekeeping gene and internal control. Values represent fold induction (Mean±SD) relative to control iMSCs (Day 0) from three replicate. *P≤0.01 indicate values are statistically different in OA-iMSCs as compared to their AC-iMSCs at each timepoint.

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Figure 4

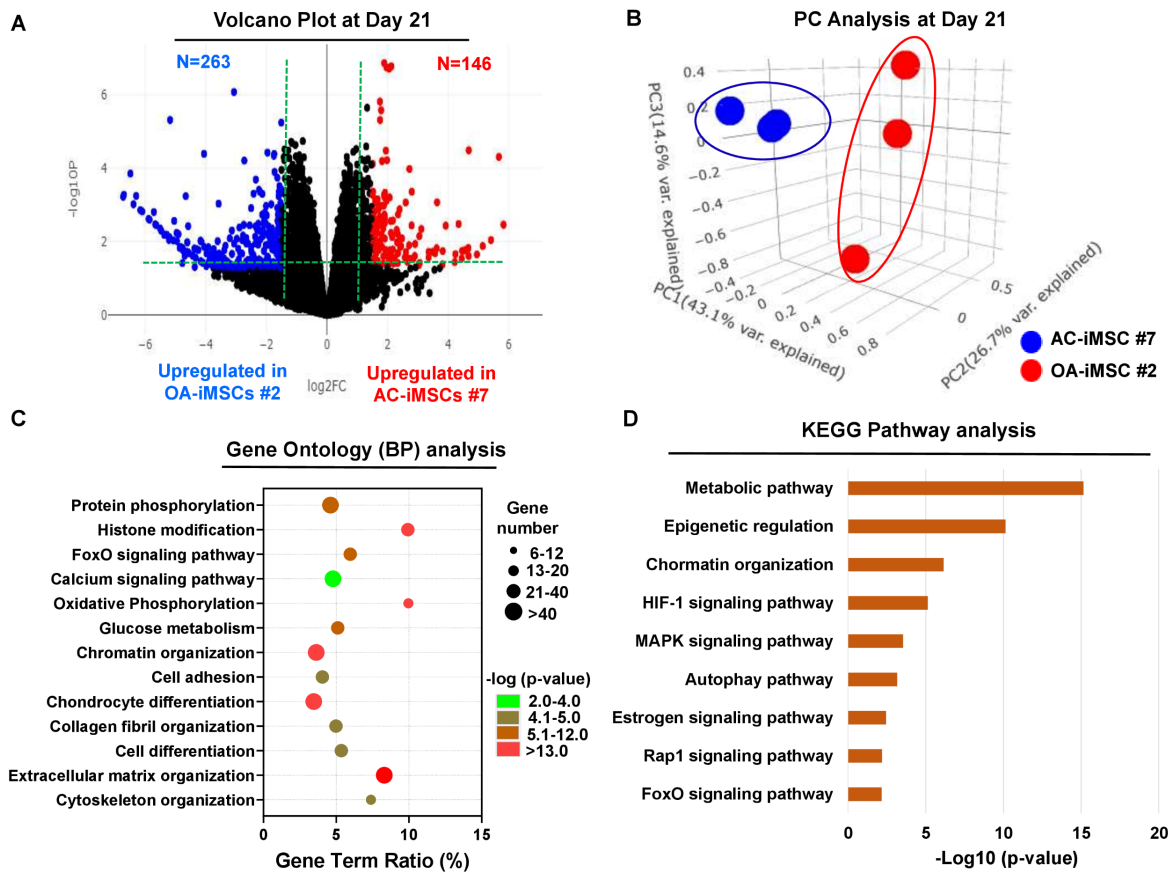


Figure 4: AC-iMSCs during chondrogenic differentiation exhibit distinct transcriptome signature:

Bulk RNA-Sequencing was performed during chondrogenic differentiation of AC- vs OA-iMSCs and differential gene expression analyses revealing distinct transcriptomic signature. **(A)** Genes with differential expression levels greater than 2-fold (FDR P value < 0.05) were visualized as volcano plot showing differential expression of 406 genes. **(B)** Principal component analysis (PCA) using differentially expressed genes (DEGs) showing segregation of AC-iChondrocytes vs OA-iChondrocytes generated during day 21 chondrogenic differentiation using pellet culture. **(C)** Functional annotation clustering using GO analysis for biological process (BP) using DEGs at day 21 chondrogenic differentiation of AC- vs OA-iMSCs. Y-axis label represents pathway, and X-axis label represents gene term ratio (gene term ratio = gene numbers annotated in this pathway term/all gene numbers annotated in this pathway term). Size of the bubble represents the number of genes enriched in the GO terms, and color showed the FDR P value of GO terms. **(D)** KEGG pathway analysis showing enrichment of molecular pathways contributing to differential chondrogenic potential of AC- vs OA-iMSCs.

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196 Additionally, principal component analyses placed AC- and OA-iChondrocytes in two
 197 distinct clusters suggesting that chondrocytes derived from AC-iMSCs were genomically
 198 distinct from OA-iMSC derived chondrocytes (**Fig. 4B**).

199 We next performed functional annotation analyses of these differentially regulated
200 genes to determine the enrichment of GO terms and molecular pathways. Our GO
201 analyses demonstrated significant enrichment of several biological processes in AC-
202 iChondrocytes including histone modification, chromatin organization, oxidative
203 phosphorylation, glucose metabolism, chondrocyte differentiation and ECM organization
204 (**Fig. 4C**). These results suggest that pathways related to ‘Energy Metabolism’ and
205 ‘Epigenetic Regulation’ play an important role in chondrogenic differentiation of AC-
206 iMSCs. We also performed KEGG pathway analysis and results showed that ‘Metabolic
207 Pathways’, ‘Epigenetic Regulation’ and ‘Chromatin Organization’ are the most enriched
208 pathways in AC-iMSCs (**Fig. 4D**). These data suggest that a large proportion of DEGs
209 between AC- and OA-iChondrocytes were involved in ‘Energy Metabolic pathways’ such
210 as oxidative phosphorylation, glucose metabolism and protein phosphorylation and
211 ‘Epigenetic Regulatory pathways’ such as chromatin organization and histone
212 modification. The regulatory genes involved in these pathways such as *HDAC10/11*,
213 *PRMT6*, *PRR14*, *ATF2*, *SS18L1*, *JDP2*, *RUVBL1/2*, *OGDHL*, *ALDH2*, *GCLC*, *GOT1*,
214 *HIF1A*, *COX5A*, and *TRAF6* etc. may create a distinct metabolic and chromatin state in
215 AC-iMSCs which favors its enhanced chondrogenic differentiation.

216 **AC-iMSCs revealed enrichment of interaction networks related to energy**
217 **metabolism and epigenetic regulation during chondrogenic differentiation:** To
218 determine the functional relationships among genes that were differentially regulated
219 during chondrogenic differentiation of AC- and OA-iMSCs, we performed interaction
220 network analyses. Our analysis identified two major subnetworks distributed in two
221 distinct clusters belonging to energy metabolism and epigenetic regulation suggesting a
222 role for these pathways in chondrogenic differentiation of AC-iMSCs (**Fig. 5A, B**). The
223 ClueGO analysis in metabolic gene network cluster showed enrichment of several energy
224 metabolic pathways such as Glycolysis, Amino acids synthesis, Autophagy and
225 Biosynthesis and anabolic pathways suggesting that multiple metabolic signaling
226 networks in energy metabolism may contribute to enhanced chondrogenic potential of
227 AC-iMSCs (**Fig. 5A**). Similarly, Epigenetic regulator gene network cluster comprise of
228 several pathways related to histone modification, chromatin regulation, histone
229 acetylation and chromatin assembly/disassembly. These data suggest that during
230 chondrogenic differentiation of AC-iMSCs, several chromatin modifiers were activated
231 which may regulate key genes involved chondrogenic differentiation (**Fig. 5B**).

232 To further implicate the role of ‘energy metabolism’ and ‘epigenetic regulator
233 pathways’ in differential chondrogenic potential, we analyzed the expression profile of
234 genes involved in these pathways during chondrogenic differentiation of AC- and OA-
235 iMSCs. The heatmap analysis during terminal chondrogenic differentiation (Day 21)
236 showed that the expression profile of various metabolic and epigenetic regulator genes
237 exhibits differential expression in AC- vs OA-iChondrocytes. (**Fig. 5C, D**). Moreover, the
238 expression profile for metabolic and epigenetic factor genes correlates well with

239 chondrogenic differentiation of these iMSCs further suggesting the importance of these
240 pathways in enhanced chondrogenic potential of AC-iMSCs. Altogether, these data
241 suggest that metabolic and epigenetic regulatory pathways play a role in chondrogenic
242 potential of AC-iMSCs.

243 **AC-iMSCs at the undifferentiated state showed distinct expression of genes**
244 **involved in energy metabolism and epigenetic regulation:** The data in Figure 5C, D
245 show that during chondrogenic differentiation, AC-iMSCs exhibit differential expression
246 for the metabolic and chromatin regulator genes. We next examined whether this
247 differential gene expression profile was intrinsic to AC-iMSCs or acquired during the
248 process of chondrogenic differentiation. To this end, we performed transcriptomic
249 analyses at various stages of chondrogenic differentiation of AC- and OA-iMSCs. Volcano
250 plot analysis identified that AC- and OA-iMSCs at undifferentiated steady-state (Day 0)
251 exhibited differential expression at pan-genome level with >800 differentially expressed
252 genes (Fig. 6A). We next focused our analysis on the expression of genes involved in
253 energy metabolic and epigenetic regulator pathways. Similar to the level observed at
254 terminal differentiation stage, our analysis revealed that metabolic and chromatin
255 regulator genes also showed significant differences between both cell types at the
256 uncommitted mesenchymal state (Fig. 6B, C). When compared to OA-iMSCs, the AC-
257 iMSCs expressed higher levels of several metabolic gene involved in glycolysis, amino
258 acid synthesis, autophagy, and anabolic pathways such as *ALDOB*, *CD180*, *SQSTM1*,
259 *ENO3*, *AOX1*, *KMT2D*, *COX5A*, *PRDX1*, *SDHB*, *ALDH2* etc (Fig. 6B). Moreover,
260 differential expression of multiple chromatin modifiers including histone modifiers (eraser,
261 reader and writers) and chromatin remodeling factors such as *JDP2*, *RUVBL1/2*,
262 *MYBBP1A*, *HDAC10*, *HDAC11*, *USP12*, *L3MBTL2*, *MUM1* etc was also observed (Fig.
263 6C). Further, differential expression patterns of several epigenetic modifiers at the MSC
264 stage (day 0) were retained at the chondrocyte stage (day 21). For example, *ARID4B*,
265 *BRD4*, *HDAC4*, *HDAC9*, *KDM5A*, *KMT2C* etc showed differential expression between
266 OA- and AC-iMSCs at both day0 and day 21 stage of chondrogenic differentiation. These
267 results suggest that differential expression of genes associated with energy metabolism
268 and epigenetic regulation between healthy and OA conditions first occurs at the MSC
269 stage, prior to their overt differentiation to the chondrogenic lineage. Thus, differences in
270 the chondrogenic potential of AC- versus OA-iMSCs may be associated with differences
271 in expression of metabolic and chromatin modifier genes which influence the
272 chondrogenic capacity of these MSCs.

273 **Genetically distinct characteristic of AC- and OA-iMSCs were imprint of original**
274 **cell sources from healthy and OA-chondrocytes:** Our data as above (Fig. 2A-E and
275 Fig. 6A-C) indicated that although AC- and OA-iMSCs exhibit similar morphologic and
276 immunophenotypic characteristics, they are genetically distinct populations that displayed
277 varying efficiencies for chondrogenic differentiation. We therefore postulated that

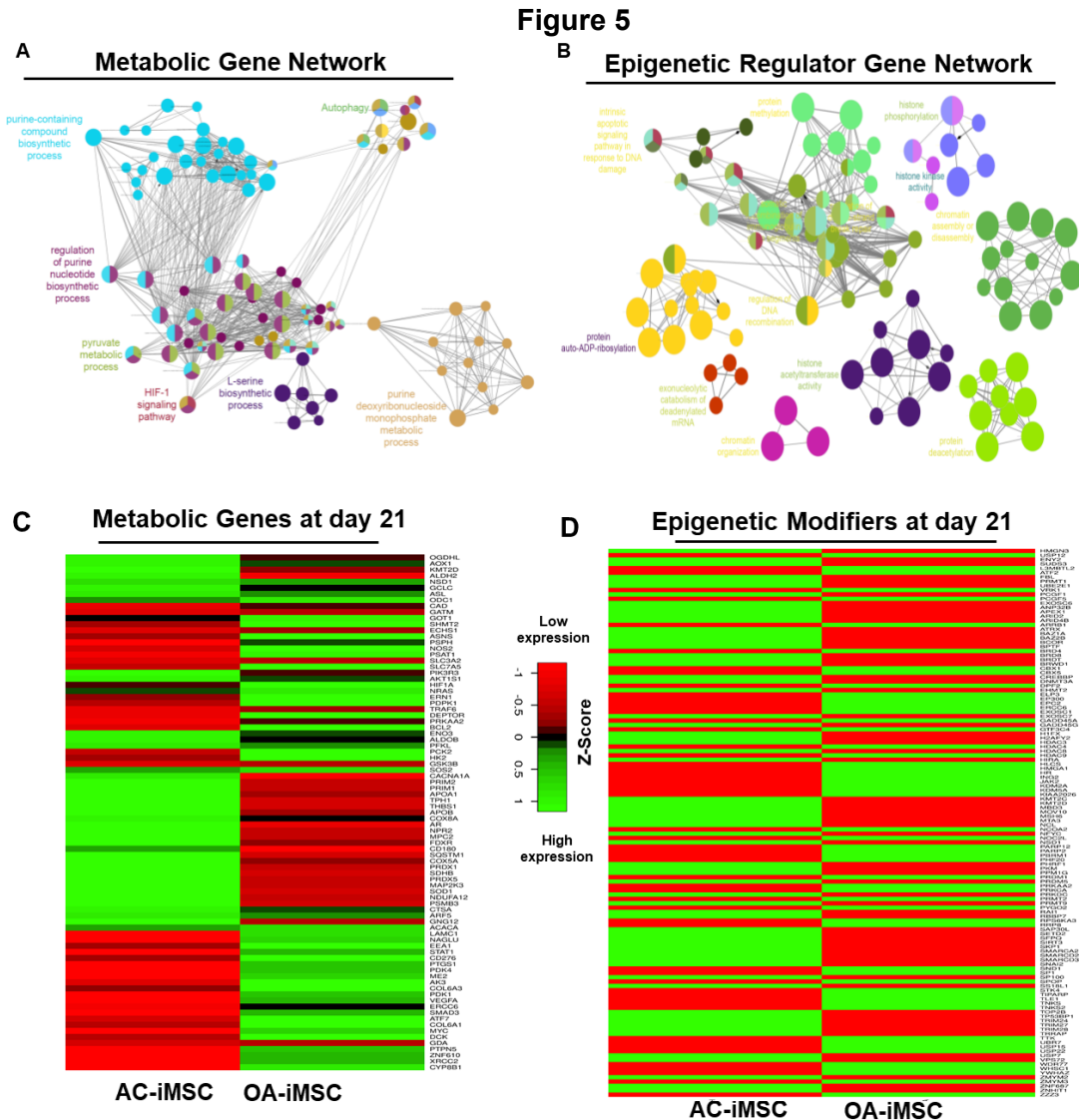


Figure 5: Enrichment of metabolic and epigenetic regulators interaction networks during chondrogenic differentiation of AC-iMSCs: (A, B) Interaction network analysis using DEGs at day 21 chondrogenic differentiation of AC- and OA-iMSCs. PPI network of differentially expressed genes in AC-iChondrocytes was constructed using STRING database and visualized by Cytoscape. Pathway enrichment analysis in the interaction network was performed using ClueGO analysis which showed enrichment of pathways related to (A) metabolic genes and (B) Epigenetic modifiers. Multiple nodes of metabolic and epigenetic regulators were enriched in these interaction networks suggesting the role of these pathways in differential chondrogenic potential. (C, D) Differential expression analyses of the genes involved in these enriched pathways related to energy metabolism and epigenetic regulators. The gene expression was visualized using Heatmap analysis for differentially expressed genes related to (C) energy metabolism and (D) epigenetic regulators. Expression values for each gene (row) were normalized across all samples (columns) by Z-score. Color key indicates the intensity associated with normalized expression values. Green shades indicate higher expression and red shades indicate lower expression.

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278 differences in the metabolic and chromatin modifier gene expression patterns observed

Figure 6

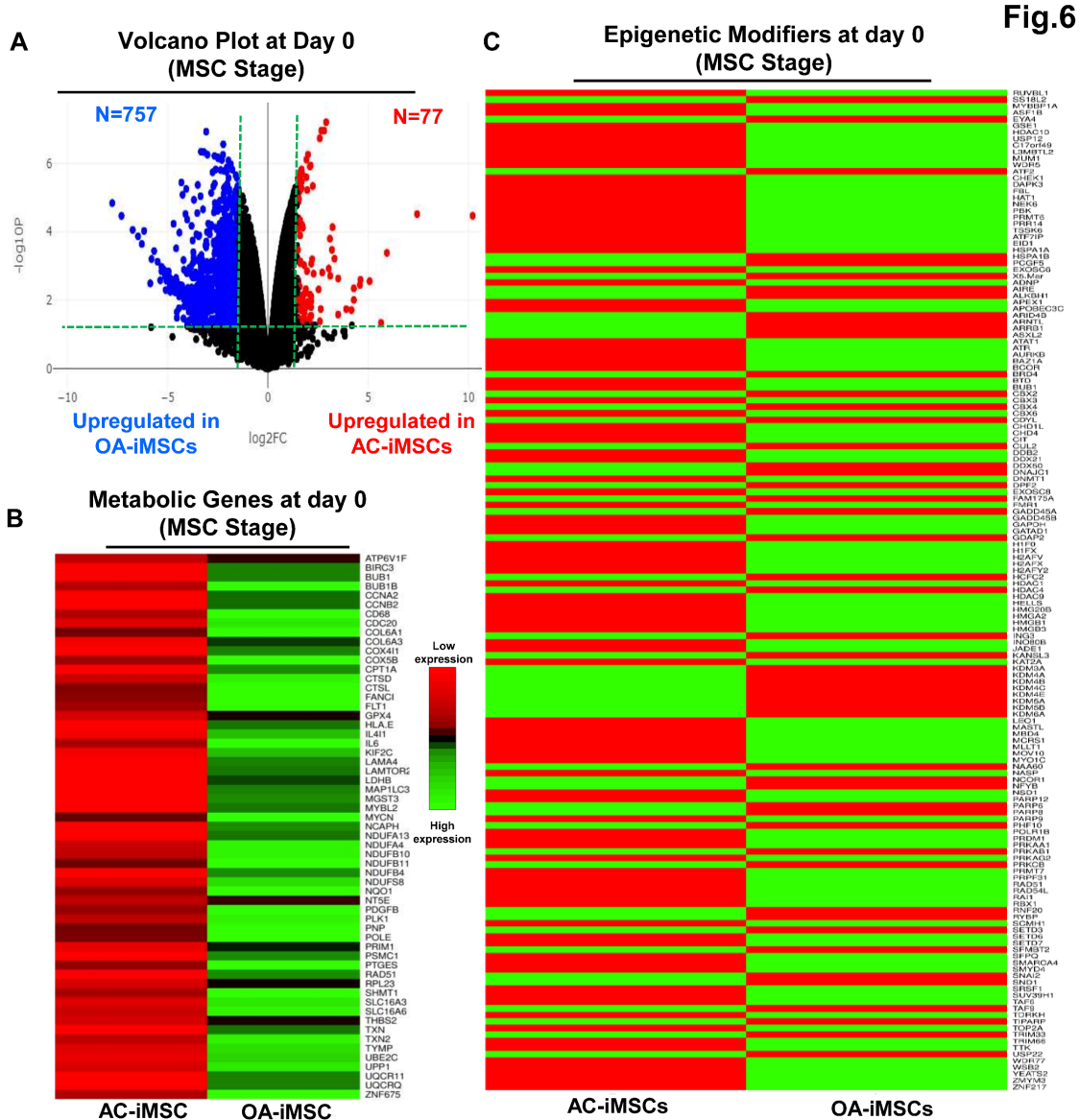


Figure 6: AC-iMSCs at undifferentiated state showed distinct expression of genes involved in metabolic and epigenetic regulators: (A) Differential gene expression analyses of AC- and OA-iMSCs at day 0 (start of chondrogenic differentiation) showing distinct transcriptomic signature. Genes with differential expression levels greater than 2-fold (FDR P value < 0.05) were visualized as volcano plot showing differential expression of 834 genes. **(B, C)** Pathway analysis was performed in 834 DEGs to show the enrichment of pathways related to metabolism and Epigenetic modifiers. Heatmap was used to show expression of the genes related to **(B)** energy metabolism and **(C)** epigenetic regulators. Expression values for each gene (row) were normalized across all samples (columns) by Z-score. Color key indicates the intensity associated with normalized expression values. Green shades indicate higher expression and red shades indicate lower expression.

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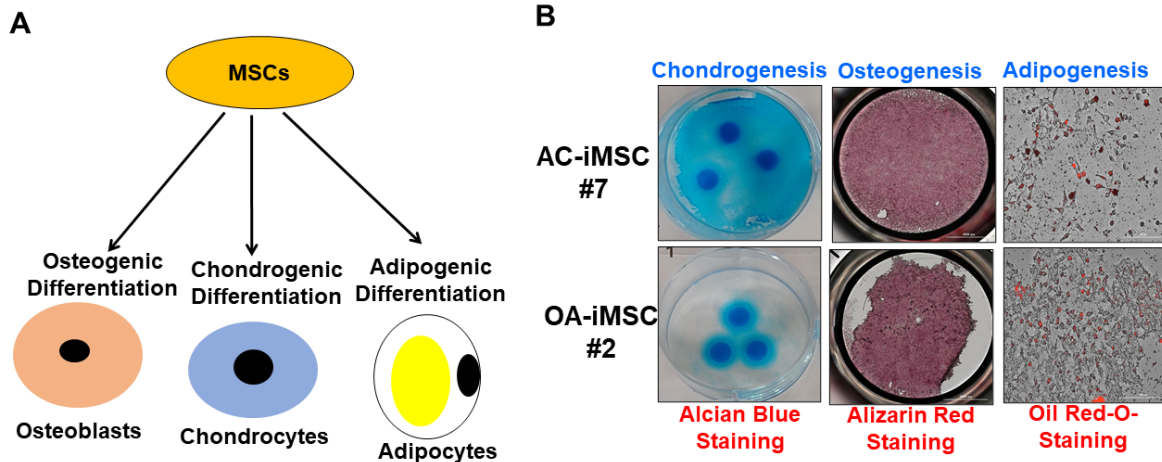
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279 in OA-iMSCs as compared to AC-iMSCs are attributed to their initial disease status. To

290 *JDP2, ATF2, ATF7, WDR5* etc. which showed differentiation expression in healthy and
 291 OA cartilage also showed retention of differential pattern in OA- vs AC-iMSCs. Together
 292 our data suggest that a retained memory of disease during stem cell reprogramming
 293 affected the chondrogenic differentiation potential of OA-iMSCs.

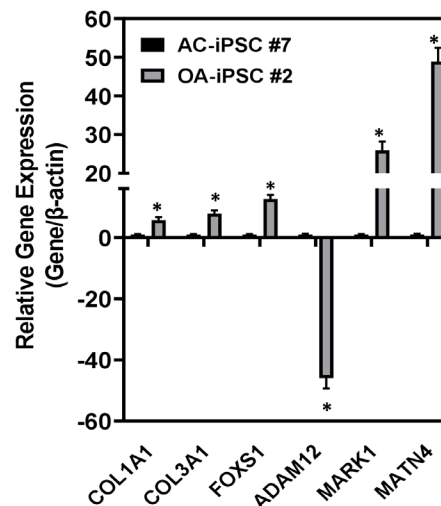
Supplementary Figure 1



Supplementary Figure 1: (A) Trilineage differentiation of these AC- and OA-iMSCs using *in vitro* adipogenic, osteogenic, and chondrogenic differentiation assays. (B) Chondrocyte differentiation of AC- and OA-iMSCs was shown by Alcian blue staining of micromass cultures. Osteoblast differentiation was shown by Alizarin Red staining and Adipogenic differentiation was visualized using Oil Red O staining at day 21 culture. Scale bar, 100 μ m.

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Supplementary Figure 2



Supplementary Figure 2: Validation of RNA-Seq results by quantitative PCR. Select genes were chosen for further analysis and validation of the RNA-Seq results. RNAs were isolated from day 21 chondrogenic differentiation of AC- and OA-iMSCs.

309 **DISCUSSION:**

310 iPSCs are viewed as promising cell-based therapeutics for the repair of tissues
311 lacking intrinsic regenerative capacity, including articular cartilage. Multiple studies have
312 cautioned that safe and effective application of iPSCs based therapeutics will require
313 careful consideration of the cellular origins of iPSCs.^{33 34} Although reprogramming of
314 somatic cells to iPSCs involves extensive modification of the epigenetic landscape, the
315 reprogrammed cells can retain an epigenetic memory of the cell type of origin, thus
316 affecting lineage differentiation propensity.^{5;10;35} In addition to donor cell type, key
317 questions over the influence of the health status of the parental somatic cells used for
318 reprogramming remain unresolved. Thus, the present study was designed to determine
319 whether the health status of donor human articular chondrocytes influences the
320 regenerative potential of the derived iPSCs. Using iPSCs generated from healthy and OA
321 chondrocytes, we report that reprogramming efficiency to pluripotency was largely
322 equivalent between the two sources. However, OA-iPSCs showed a significantly reduced
323 capacity for chondrogenic differentiation as compared to AC-iPSCs, indicating that the
324 pathogenic condition of the donor chondrocytes negatively affected the chondrogenic
325 differentiation potential of OA-iPSCs. Our data suggest that reprogramming does not
326 reset the health status of OA articular chondrocytes, but rather supports the existence of
327 a memory of disease in iPSCs derived from OA cartilage.

328 A plethora of studies over the last 15 years have determined that cells from almost
329 any tissue can be used to generate human iPSCs, which can then be differentiated to a
330 variety of specialized cells. However, human iPSCs generated from disparate cell types
331 have not displayed equivalent capacities for differentiation to specialized cell types.¹⁰
332 Seminal studies using iPSCs derived from myeloid cells, hematopoietic cells, and insulin-
333 producing β -cells revealed a biased lineage differentiation attributed to residual DNA
334 methylation signatures that influence cell fate commitment. For example, when compared
335 to isogenic non-beta cell-derived iPSCs, beta cell-derived iPSCs maintained an open
336 chromatin structure at key beta-cell genes, leading to an increased capacity to efficiently
337 differentiate into insulin-producing cells.⁴ Thus, iPSCs appear to have an epigenetic
338 memory for the tissue of origin. We have previously generated iPSCs from multiple cell
339 types including human skin fibroblasts, umbilical cord blood, and normal healthy
340 chondrocytes using the same reprogramming strategy.¹³ Using multiple chondrogenic
341 differentiation assays, our earlier findings demonstrated that iPSC derived from
342 chondrocytes showed enhanced matrix formation and chondrogenic gene expression,
343 suggesting that the tissue of origin also impacted the chondrogenic potential of human
344 iPSCs.¹³ Similarly, a previous report also demonstrated the differential chondrogenic
345 capabilities of iPSCs derived from dermal fibroblasts, peripheral blood mononuclear cells,
346 cord blood mononuclear cells and OA fibroblast-like synoviocytes.⁸

347 Although it is now well-documented that the tissue of origin can affect the
348 differentiation potential of iPSCs¹⁰, it is not known whether the health status of same
349 tissue affects the regenerative potential of its derived iPSCs. A combination of genetic
350 and non-genetic factors, including advanced age, mechanical trauma and inappropriate
351 joint loading, and inflammation contribute to the development of OA.³⁶⁻³⁸ It is well
352 established that human OA articular chondrocytes exhibit phenotypic, functional and
353 metabolic changes, as well as altered epigenetic patterns.³⁹ Thus, we speculated that a
354 retained epigenetic memory of iPSCs is not only specific to the tissue of origin but also to
355 the diseased status. Using pluripotency as a reliable tool, our novel data demonstrated
356 significant differences in the chondrogenic capability of AC- vs OA-iPSCs. Our data
357 indicate that OA cartilage derived iPSCs retained functional and molecular characteristics
358 of OA pathogenesis. Chondrogenic pellets generated using OA-iPSCs showed relatively
359 smaller size and reduced chondrogenic gene expression as compared to that from
360 healthy iPSCs (AC-iPSCs) Expression of the trio of SOX genes (*SOX9*, *SOX5* and *SOX6*)
361 was significantly lower in OA-iPSC-derived chondrogenic pellets. The expression of
362 chondrogenic genes under control of *SOX9*, such as *COL2A1* and *ACAN* were also lower
363 than that AC-iPSC-derived pellets. Since expression of *COL2A1* and *ACAN* are usually
364 lower in OA cartilage, the finding of reduced chondrogenic genes in OA-iPSCs during
365 chondrogenesis suggest the imprints of disease pathogenesis in OA-iPSCs. Similarly
366 other cartilage matrix genes such as *COMP*, *MATN4*, *PRG4* and *COL11A2* were lower in
367 OA-iPSC derived chondrocytes. Interestingly, expression of these genes was also
368 reported to be decreased in OA⁴⁰ further suggesting the recapitulation of memory of
369 disease in OA-iPSCs as compared to AC-iPSCs. Based on these findings, human stem
370 cell models of OA using iPSCs may provide the unique opportunity to model OA disease
371 changes, to uncover mechanisms of disease development, and to identify molecular
372 targets for therapeutic intervention.

373 We next identified how a memory of cartilage pathology in OA is transmitted from
374 the original somatic cells to iMSCs and finally to the chondrocytes. A nonbiased, high-
375 throughput RNA-sequencing approach was used to define the pan transcriptome changes
376 during iPSC stage-specific differentiation. Our global transcriptome data showed skewed
377 expression of epigenetic regulators, and metabolism-associated molecular pathways in
378 AC- vs OA-iMSCs, suggesting a transcriptional memory of disease mechanisms in OA-
379 iPSCs. Recent studies showed cellular metabolism as a key driver of cell-fate changes
380 which has intrinsic links with epigenetic modifications of chromatin during development,
381 disease progression, and cellular reprogramming.⁴¹ Our data suggests that AC- and OA-
382 iMSCs differ in the expression of a plethora of metabolic genes which finally influence the
383 cells metabolism and thus chondrogenic differentiation. While cell metabolism is closely
384 linked to chondrogenic differentiation, in-depth metabolomic studies are needed to
385 determine how metabolic heterogeneity of AC- and OA-iPSCs impact chondrogenic
386 differentiation and regenerative potential of cartilage tissue. While recent discovery⁴¹

387 demonstrated the interaction between energy metabolite and epigenetic modifiers, a
388 detailed future investigation warrants to determine how cellular metabolism wired the
389 epigenetic modification and influence the cellular transitions associated with cartilage
390 development.

391 Although an apparent memory of disease can impact the chondrogenic capabilities
392 of OA-iPSCs, we did not detect differences in stemness genes between AC and OA lines.
393 These data indicate that transcriptome level differences were notable only upon initial
394 differentiation towards uncommitted mesenchymal progenitors (iMSC stage). We do not
395 know whether the functional and molecular alteration in OA-iMSCs represent a transient
396 or stable phenomenon. Functional studies, coupled with comprehensive analyses of
397 epigenetic landscapes will be necessary to address whether the observed memory of
398 disease (epigenetic and metabolic) is a stable imprint of the original cellular phenotypes,
399 or could be erased by serial reprogramming. Moreover, does preservation of an
400 epigenetic memory of cartilage disease in iPSCs occur at the DNA methylation level, and
401 if so, what are the OA-associated loci? Further, it is not clear whether memory of disease
402 is a phenomenon observed only at early passages after pluripotency induction or can be
403 attenuated by continuous passaging.

404 In the present study, we addressed for the first time that differential chondrogenic
405 potential of AC- and OA-iPSCs could be attributed to differences in transcriptome level
406 changes in the epigenetic modifiers and energy metabolic genes. The expression profile
407 of several chromatin modifiers belonging to the family of histone readers, writers, and
408 erasers such as *FBL*, *PRMT1*, *UBE2E1*, *VRK1*, *PCGF1*, *USP12*, *HMGN3*, *HDAC3*,
409 *HDAC8*, *BRDT*, *ARID2*, and *HMGN3* were significantly different between AC- and OA-
410 iMSCs. In addition, several metabolic genes such as *AOX1*, *OGDHL*, *GATM*, *KMT2D*,
411 *ALDH2*, *GOT1*, *SLC3A2* and *ECHS1* also showed differential expression pattern between
412 AC- and OA-iMSCs. Several studies previously showed that metabolic genes and
413 metabolites are involved in the regulation of histone acetylation and chromatin
414 modification indicating that importance of chromatin and metabolites in physiological
415 function of the cells.^{42;43} Future studies using genome editing approaches coupled with
416 metabolomics and chromatin mapping approaches will be required to determine the
417 biological roles of these identified chromatin modifiers and metabolic regulators in
418 chondrogenic differentiation of iMSCs. Further correlation of chondrogenic differentiation
419 potential of iMSCs derived from chondrocytes from multiple donors, and with varying
420 grades of OA severity will further help establish the concept of epigenetic memory of
421 disease and determine the influence epigenetic and metabolic imprints on cartilage repair
422 and regenerative medicine.

423
424
425

426 **MATERIALS AND METHODS:**

427 **Key resources table:**

Reagent type (species) or resource	Designation	Source or reference	Identifiers	Additional Information
Biological sample (Human)	AC-iPSCs	Generated at corresponding author lab at UConn Health (Guzzo MR et al 2012)		
Biological sample (Human)	OA-iPSC	Generated at corresponding author lab at UConn Health		
Biological sample (Human)	AC-iMSCs	Derived from AC-iPSCs		
Biological sample (Human)	OA-iPSC	Derived from OA-iPSCs		
Antibody	FITC Mouse Anti-Human CD44	BD-Biosciences	347943, RRID:AB_400360	1:100 for Flow cytometry
Antibody	PE Mouse Anti-Human CD73	BD-Biosciences	550257, RRID:AB_393561	1:100 for Flow cytometry
Antibody	FITC Mouse Anti-Human CD90	BD-Biosciences	555595, RRID:AB_395969	1:100 for Flow cytometry
Antibody	PE Mouse Anti-Human CD166	BD-Biosciences	559263, RRID:AB_397210	1:100 for Flow cytometry
Antibody	FITC Mouse anti-Human CD105	BD-Biosciences	561443, RRID:AB_10714629	1:100 for Flow cytometry
Antibody	FITC Mouse Anti-Human CD31	BD-Biosciences	555445, RRID:AB_395838	1:100 for Flow cytometry
Antibody	FITC Mouse Anti-Human CD45	BD-Biosciences	347463, RRID:AB_400306	1:100 for Flow cytometry
Antibody	FITC Mouse IgG1, κ Isotype Control	BD-Biosciences	349041, RRID:AB_400397	1:100 for Flow cytometry

Antibody	PE Mouse IgG1, κ Isotype Control	BD-Biosciences	555749, RRID:AB_396091	1:100 for Flow cytometry
Commercial assay or kit	High-capacity cDNA Reverse	Transcription Kit Applied Biosystems	4368814	
Commercial assay or kit	Powerup SYBR green Mix	Thermo-Fisher	A25742	
Chemical compound and drugs	Trizol	Thermo-Fisher	15596026	
Chemical compound and drugs	DMEM	Thermo-Fisher	11965092	
Chemical compound and drugs	Recombinant Human FGF-basic	Peprotech	100-18B	
Chemical compound and drugs	Non-Essential Amino Acids Solution	Thermo-Fisher	11140050	
Chemical compound and drugs	HyClone™ Fetal Bovine Sera Defined	VWR	16777-006	
Chemical compound and drugs	Pen Strep	Thermo-Fisher	10378016	
Chemical compound and drug	L-Ascorbic Acid	Sigma	A4544	
Chemical compound and drug	Glutamax 100 X	Gibco	35050-061	
Chemical compound and drug	Dexamethasone	Sigma	D2915	
Chemical compound and drug	L-Proline	Sigma	P0380	
Chemical compound and drug	Insulin-Transferrin-Selenium	Thermo-Fisher	41400045	
Software and algorithm	Prism	GraphPad	RRID:SCR_002798	
Software and algorithm	DESeq2	Bioconductor	DESeq2, RRID:SCR_015687	

429 **iPS cell induction and culture:** We have previously described the generation iPSCs
 430 reprogramming from human chondrocytes isolated from normal healthy cartilage (AC-
 431 iPSCs).¹³ These iPSCs were fully reprogrammed and detailed characterization of
 432 pluripotency were performed previously using various methods including molecular,
 433 cytochemical, cytogenic and *in vitro* and *in vivo* functional analyses.¹³ Using similar
 434 methods, we derived and characterized iPSCs from OA chondrocytes (OA-iPSCs). The
 435 OA-iPSCs were generated at UConn Health with IRB approval. We procured surgical
 436 discards from a 77-year-old female patient undergoing knee joint replacement surgery at
 437 our clinic. Chondrocytes were harvested from remaining, OA-affected cartilage at the tibia
 438 plateau. OA-derived iPSCs were generated using polycistronic STEMCAA lentiviral
 439 vector (as described in our previous publication).

440 We used three clones from each of the AC-iPSCs (clone #7, #14, and # 15) and
 441 OA-iPSC (clone #2, #5 and #8) to ensure that our data are not clone specific. The iPSC
 442 colonies were maintained in undifferentiated pluripotent state by culturing the cells under
 443 feeder free conditions on 0.1% Geltrex® (PeproTech) coated culture plates. For routine
 444 expansion, iPSCs colonies were passaged after reaching 70% confluency using
 445 treatment of ReLeSR™ reagent (StemCell Technologies) and cultured in new 6-well plate
 446 using mTeSR™ plus medium supplemented with 10 μM Y-27,632 Rock inhibitor
 447 (StemCell Technologies). Pluripotency of all lines was established by analyzing the
 448 expressions of canonical stemness genes (*SOX2*, *NANOG*, *OCT4*, *KLF4*) using qPCR
 449 assay as described previously.¹⁴ Full list of primers is listed in Table 1. We also performed
 450 immunofluorescence staining for pluripotency markers in these iPSC colonies using
 451 Pluripotent Stem Cell 4-Marker Immunocytochemistry Kit (Thermo Fischer Scientific) as
 452 per manufacturer’s instruction and fluorescence were imaged using fluorescence
 453 microscopy (BioTek Lionheart LX Automated Microscope) as described previously.¹⁵
 454 Alkaline phosphatase (ALP) staining was also performed for pluripotency characterization
 455 using TRACP & ALP double-stain Kit (Takara) following manufacturer’s instructions. ALP-
 456 positive colonies were imaged using Automated Microscope (BioTek Lionheart LX).

457 **Table 1: Primer Sequences**

Genes	Forward Primer (5' → 3')	Reverse Primer (5' → 3')
<i>OCT3/4</i> (NM_203289)	TGTA CTCTCGGTCCCTTTC	TCCAGGTTTTCTTCCCTAGC
<i>NANOG</i> (NM_024865)	CAGTCTGGACACTGGCTGAA	CTCGCTGATTAGGCTCCAAC
<i>KLF4</i> (NM_004235)	TATGACCCACACTGCCAGAA	TGGGA ACTTGACCATGATTG
<i>SOX9</i> (NM_000346)	AGACAGCCCCCTATCGACTT	CGGCAGG TACTGGTCAA ACT
<i>ACAN</i> (NM_013227)	TCGAGGACAGCGAGGCC	TCGAGGGTGTAGCGTGTAGAGA
<i>COL2A1</i> (NM_001844)	GGCAATAGCAGGTTACGTACA	CGATAACAGTCTTGCCCCACTT
<i>COL10A1</i> (NM_000493)	CAAGGCACCATCTCCAGGAA	AAAGGGTATTTGTGGCAGCATATT
<i>ACTB</i> (NM_001101.5)	CTC TTC CAG CCT TCC TTC CT	AGCACTGTG TTG GCGTAC AG

458

459 **Derivation of mesenchymal progenitor cells from AC- and OA-iPSCs:** Differentiation
460 of iPSCs into chondrocytes requires an intermediate state which we termed as
461 uncommitted mesenchymal progenitor cells or mesenchymal stem like cells (MSCs). The
462 differentiation of iPSCs into MSCs was performed using our established direct plating
463 method as described previously.^{16;17} Briefly, cell suspensions of iPSC colonies (P15-17)
464 were prepared using accutase treatment followed by seeding onto gelatin coated culture
465 plate using MSC growth medium consisting of DMEM-High Glucose (Gibco), 10% defined
466 fetal bovine serum (FBS; Hyclone), 1% nonessential amino acids (NEAA), 1X penicillin-
467 streptomycin, and 5 ng/ml rhbFGF (Peprotech). After 2-3 passage onto non-coated
468 plates, the heterogenous cultures acquired the iPSC-MSC-like homogenous, fibroblast-
469 like morphology which was termed as iPSC derived MSCs (referred as iMSCs). For
470 routine expansion, AC-iPSC, and OA-iPSC derived MSCs (AC-iMSCs and OA-iMSCs)
471 were plated at density of $0.3-0.4 \times 10^6$ cells per 100mm culture dish and maintained in
472 MSC growth media. The characterization of the MSC like feature was performed using
473 gene expression analysis of mesenchymal genes by qPCR assay as described
474 previously.¹⁵

475 **Flow characterization of mesenchymal progenitor cells (iMSCs):**
476 Immunophenotyping analysis for cell surface markers was performed as defined by the
477 International Society for Cell & Gene Therapy (ISCT) for the minimal criteria of MSCs.¹⁸
478 Surface staining of MSCs markers were performed using labeled anti-human antibody
479 against CD73, CD95, CD105, CD44, CD45, CD31, CD29 using method described
480 previously.¹⁹⁻²¹ Isotype-matched control (IgG1-PE and IgG2b-FITC) were used for
481 identifying nonspecific fluorescence. Cells were acquired using BD FACSAria™ using
482 FACS Diva software (Becton–Dickinson). For each analysis, minimum of 20,000 cells
483 was acquired and data was analyzed using FlowJo Software as described previously.¹⁵

484 **Chondrogenic differentiation of iMSCs:** We performed chondrogenic differentiation of
485 iMSCs (P18-22) in 3D high density culture conditions using pellet suspension and
486 micromass adherent method using our established protocol as described previously.
487 ^{13;16;17;22} Briefly, for pellet culture, single cell suspension of AC-iMSCs and OA-iMSCs
488 culture was performed using 0.25% Trypsin-EDTA and 0.5×10^6 cells were placed in 15-
489 ml polypropylene tubes and centrifuged at 300g for 5 minutes to pellet the cells, and finally
490 cultured in MSC growth medium in CO₂ incubator at 37°C and 5% CO₂ for 1 day. Twenty-
491 four hours after pellet formation, the culture media was replaced with chondrogenic media
492 consisting of DMEM-High Glucose media (Gibco), 1% ITS+ premix, 40 µg/ml L-proline,
493 1mM sodium pyruvate, 1X nonessential amino acids, 1X Glutamax, 50 µg/ml ascorbic
494 acid 2-phosphate, and 0.1µM dexamethasone, 1X-penicillin/streptomycin and human
495 recombinant BMP-2 (100 ng/ml, Peprotech).¹⁶ Chondrogenic media and growth factor
496 were changed every other day until the end of 21 days of chondrogenic differentiation.
497 Cell pellets were harvested at 0, 7, 14 and 21 days of differentiation and analyzed for
498 gene expression using SYBR™Green qPCR assay.

499 Chondrogenic differentiation was also performed using adherent micromass
500 method.¹⁶ The micromass of AC-iMSCs and OA-iMSCs was prepared by culturing the
501 cells in high density (25×10^4 cells per 10 μ l drop) in 6-well culture plates. Immediately
502 after seeding the micromasses, MSC growth medium was carefully added dropwise from
503 the edges of the plate to prevent dehydration of micromass. These micromasses were
504 incubated for 4-6 hrs at 37°C in 5% CO₂, and then supplemented with 2 ml of MSC growth
505 medium and cultured for 24 hrs. Then MSC growth media was replaced with
506 chondrogenic media and differentiation was continued for 21 days. Micromass culture
507 were harvested at different days of chondrogenic differentiation and processed for either
508 RNA isolation or fixed with formalin for Alcian blue staining. Formalin-fixed micromass
509 cultures were stained with 1% Alcian Blue in acetic acid, pH 2.5 and proteoglycans levels
510 were measured by imaging the blue colonies using automated microscope (BioTek
511 Lionheart LX).

512 **Osteogenic and Adipogenic differentiation of iMSCs:** To establish the multilineage
513 potential of the iMSCs, we next assessed the ability of AC- and OA-iMSCs to differentiate
514 into osteogenic and adipogenic lineages *in vitro*. Osteogenesis of iMSCs was induced by
515 culturing 10,000 cells per well of 24-well plate using osteogenic medium consisting of
516 DMEM supplemented with 1mM sodium pyruvate, 0.1 μ M dexamethasone, 50 μ g/ml
517 ascorbic acid 2-phosphate, 10mM β -glycerophosphate, 10% FBS and 1X
518 penicillin/streptomycin for 21 days. At end of 21 days culture, cells were fixed with formalin
519 and stained for Alizarin Red solution to visualize calcium deposits as described
520 previously.^{13;16;17}

521 Additionally, to induce adipogenesis, the iMSCs were seeded at 10,000 cells per
522 well in 24-well plate and cultured for 21 days in presence of adipogenic media consisting
523 of DMEM-high glucose supplemented with 10% FBS, 1mM sodium pyruvate, 1 μ M
524 dexamethasone, 10 μ g/ml insulin, 0.5mM isobutylmethylxanthine, 200 μ M indomethacin
525 and 1X penicillin/streptomycin. Adipogenesis was measured by Oil-red-O staining of
526 formalin fixed cells for detection of lipid accumulation as described previously.^{13;16;17}

527 **RNA-sequencing of iMSCs during chondrogenic differentiation:** To examine the
528 transcriptional changes during chondrogenic differentiation using the pellet method, we
529 performed RNA-sequencing of AC- and OA-iMSCs during the course of differentiation
530 process. Pellets from both AC- and OA-iMSCs were isolated at 0, 7, 14 and 21 days of
531 chondrogenic differentiation and total RNA was isolated using miRNeasy Kits. On-
532 Column DNase digestion was performed to remove genomic DNA contamination. RNA
533 quality was checked using Nanodrop and the RNA integrity was determined by Agilent
534 2200 Bioanalyzer, and the RNA integrity Number (RIN) values were >7 for all samples.
535 Libraries were prepared from 250 ng RNA using TruSeq Stranded Total RNA Sample
536 Prep Kit (Illumina) using the Poly A enrichment method. Sequencing was carried out using
537 the NovaSeq PE 150 system (Novogene UC Davis Sequencing Center, Novogene

538 Corporation Inc.). Raw data were exported in FASTQ (fq) format and quality control was
539 performed for error rate and GC content distribution, and data filtering was performed to
540 remove low quality reads or reads with adaptors. The clean reads were mapped to human
541 reference genome (GRCh38) and differential gene expression (DEGs) analysis was
542 performed using DESeq2 method and pairwise gene expression levels were calculated
543 using RPKM (Read per kilobase of transcript sequence per millions base pairs
544 sequenced) value. FC (Fold Change) in gene expression was performed on filtered data
545 sets using normalized signal values.

546 **Differential gene expression analysis of RNA-Seq data:** Differentially expressed
547 genes (DEG) were identified using DESeq2 in R Bioconductor.²³ Log fold change (FC)
548 represented the fold change of gene expression, and $P < .05$ and $\log_2FC > 2$ was set for
549 statistically significant DEGs. Multiple correction testing was performed using False
550 Discovery Rate (FDR). The DEGs between AC- and OA-iMSCs at Day 21 were visualized
551 using heatmap, volcano plot and principal component analysis (PCA) using R-
552 Bioconductor package as described previously.^{15;24-26} Molecular pathways enriched in
553 DEGs was performed using GO (Gene Ontology) and KEGG pathways analysis using
554 STRING (v11.0).²⁷ The enrichment of top GO terms based on FDR corrected p-value was
555 visualized by dot plot analysis as described previously.^{25;26} X-axis in the dot plot
556 represents 'gene term ratio', which was calculated by ratio of gene numbers enriched in
557 a particular GO term to all the gene numbers annotated in that GO term.

558 We also performed differential gene expression analysis between healthy and OA
559 chondrocytes by analyzing the publicly available RNA-seq datasets. The raw data were
560 downloaded from healthy and OA cartilage tissues (GSE114007) available from the
561 NCBI-GEO database.²⁸ DEGs were identified using DESeq2 in R Bioconductor as
562 described above. The heatmap for mRNA expression profiling of selected genes was
563 generated by R package of pheatmap as described previously.²⁶

564 **Interaction network analysis of DEGs between AC- and OA-iMSCs:** To identify the
565 interactions among top DEGs between AC- and OA-iMSCs during chondrogenic
566 differentiation, we performed interaction network analyses using STRING database
567 (v11.0) using a stringent criterion with a combined score of > 0.7 showing most significant
568 interactions.²⁷ Network clusters were identified using connectivity degree and hub
569 proteins were identified as node showing maximum clustering score in the interaction
570 network. The interaction network was visualized by the Cytoscape (v3.9.0), a
571 bioinformatics package for biological network visualization and data integration²⁹ as
572 described previously.^{25;26} Significant clusters in the interaction network were analyzed by
573 sub-network analysis using the Molecular Complex Detection Algorithm (MCODE) plugin
574 (v1.5.1) in Cytoscape.³⁰ Enrichment of molecular pathways in identified network cluster
575 was analyzed using ClueGO analysis in Cytoscape.³¹ The genes identified in metabolic

576 and epigenetic regulator pathways in network clusters were also analyzed for differential
577 expression analysis between AC- and OA-iMSCs and visualized by heatmap analysis.

578 **Statistics:** Data are expressed as mean \pm SEM of at least three independent
579 experiments. All experiments represent biological replicates and were repeated at least
580 three times, unless otherwise stated. Technical replicates are repeat tests of the same
581 value, i.e., testing same samples in triplicate for qPCR. Biological replicates are samples
582 derived from separate sources, such as different clones of iPSCs and iMSCs. Statistical
583 comparisons between two groups (AC- vs OA-) were performed using a two-tailed
584 Student's t-test for comparing two groups using GraphPad Prism. One-way ANOVA
585 followed by Tukey's test multiple comparisons test for greater than two groups
586 Significance was denoted at $P < 0.05$.

587

588 **AUTHOR CONTRIBUTIONS:**

589 H.D., R.M.G. and N.M.K. conceived the study and designed the project; N.M.K., M.E.D.H.
590 S.C. P.P. performed the experiments; R.M.G. generated the iPSCs; N.M.K. drafted the
591 manuscript; H.D., P.B., and R.M.G. critically reviewed the manuscript. All authors
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600

601 **CONFLICTS OF INTEREST:** The authors declare no conflict of interest.

602

603 **DATA AVAILABILITY:** All raw data has been made available as source data files within
604 the manuscript. The sequencing datasets are available via the Gene Expression Omnibus
605 (GEO) under the accession numbers GSE 214987.

606

607 Nazir M Khan and Hicham Drissi, 2022, NCBI Gene Expression Omnibus ID GSE214987.
608 RNA-seq during chondrocyte differentiation of iMSCs derived from iPSCs of healthy (AC-
609 iPSCs) and OA chondrocytes (OA-iPSCs)

610 <https://www.ncbi.nlm.nih.gov/geo/query/acc.cgi?acc=GSE214987>

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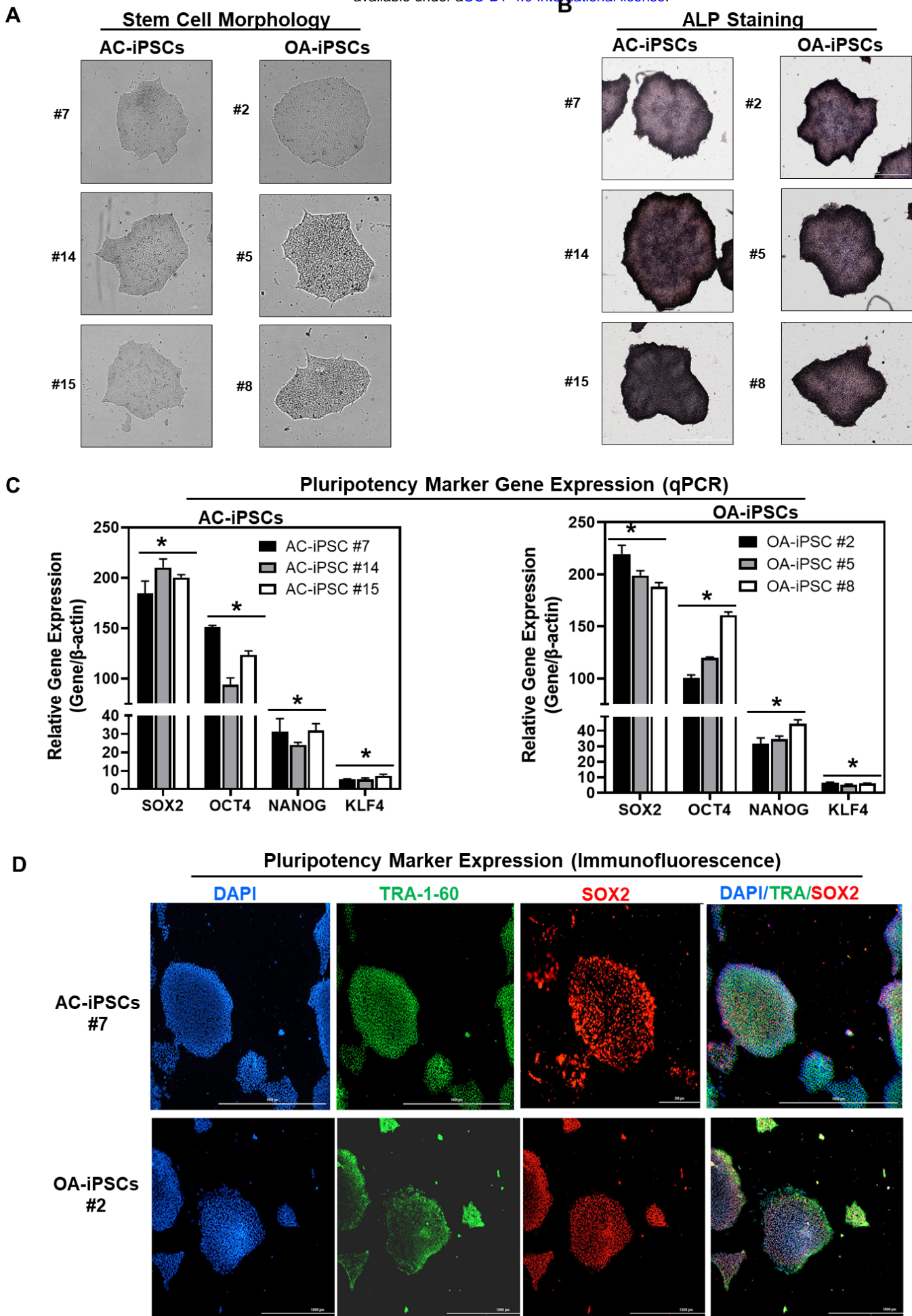
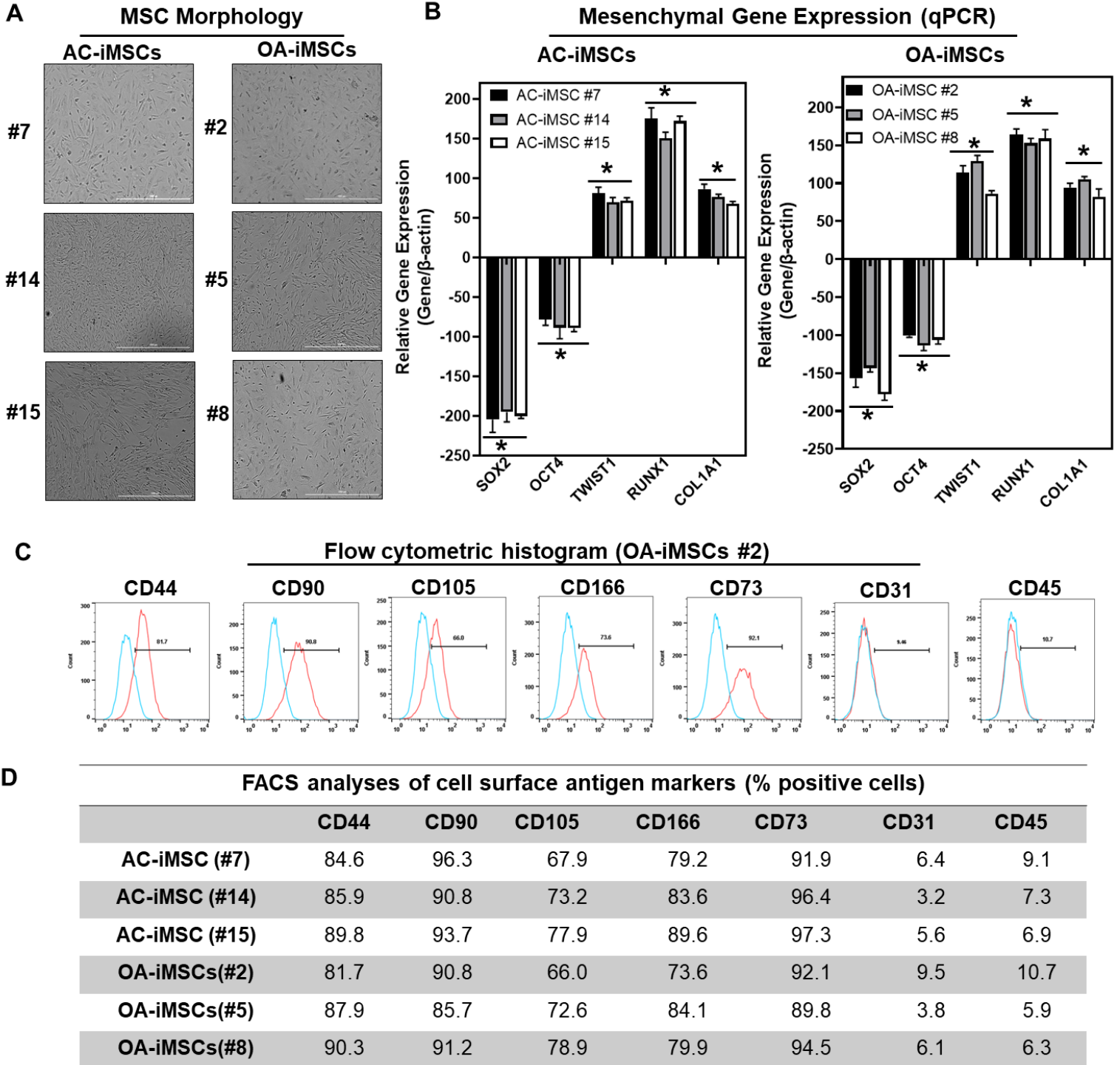
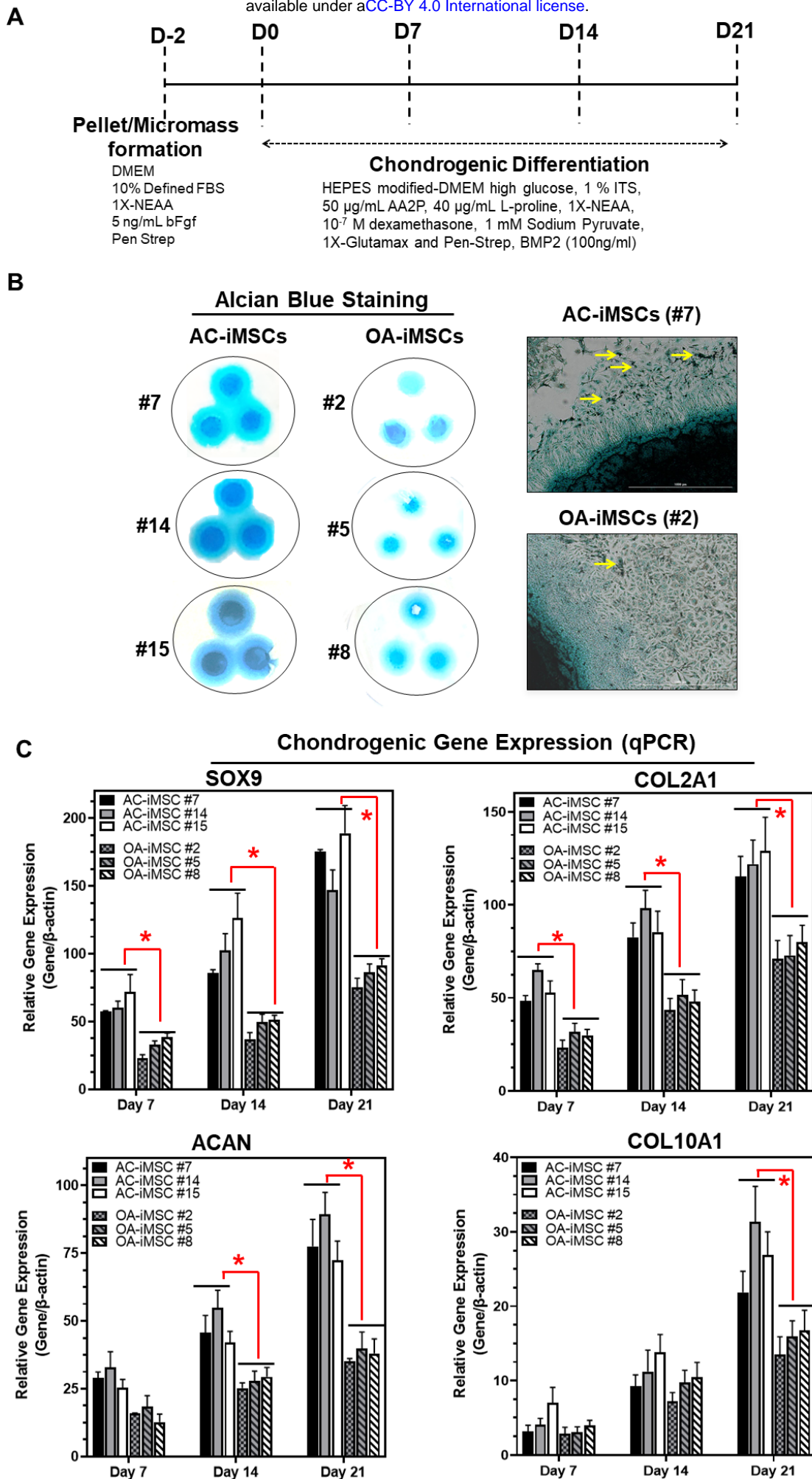
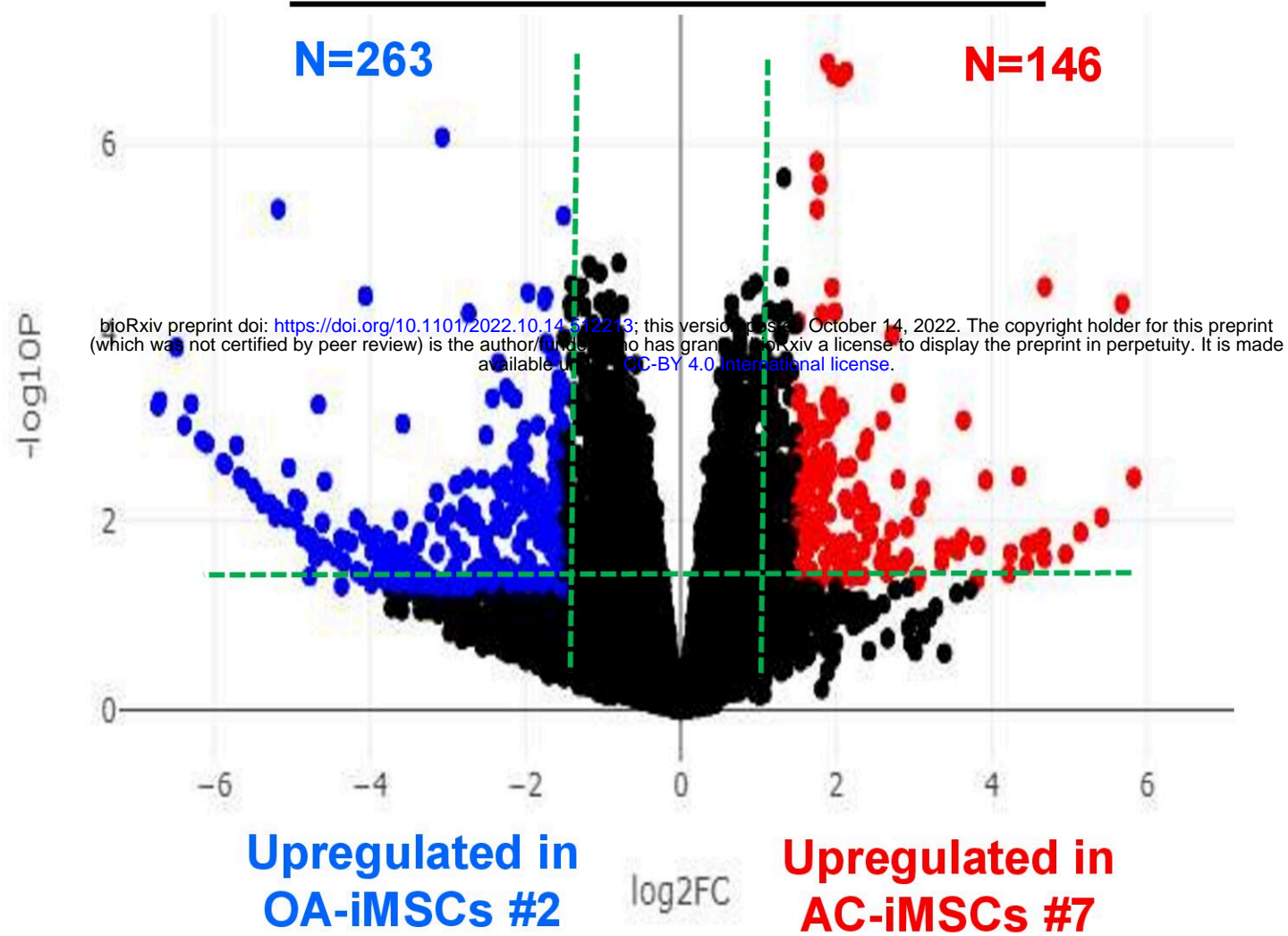


Fig.2

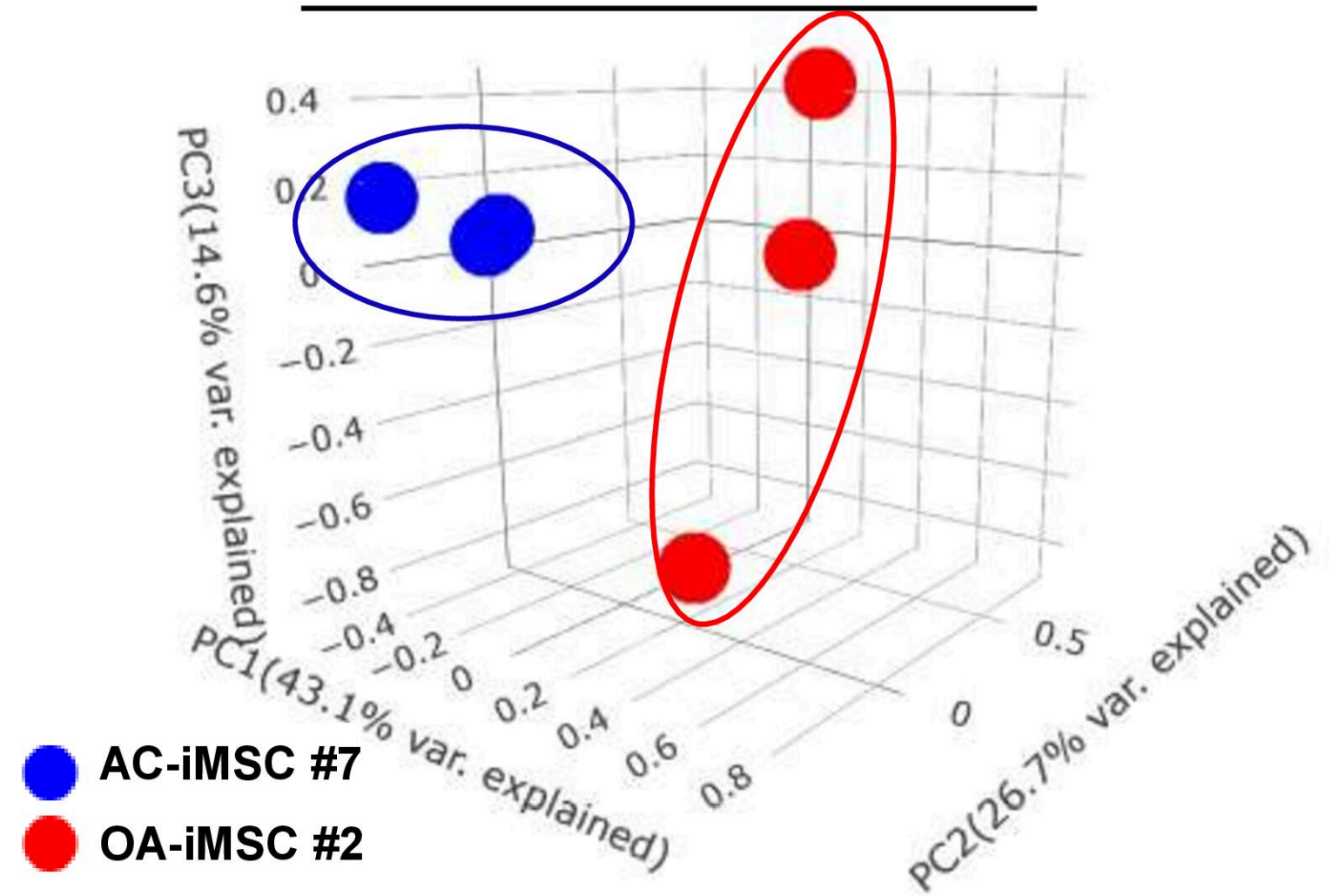




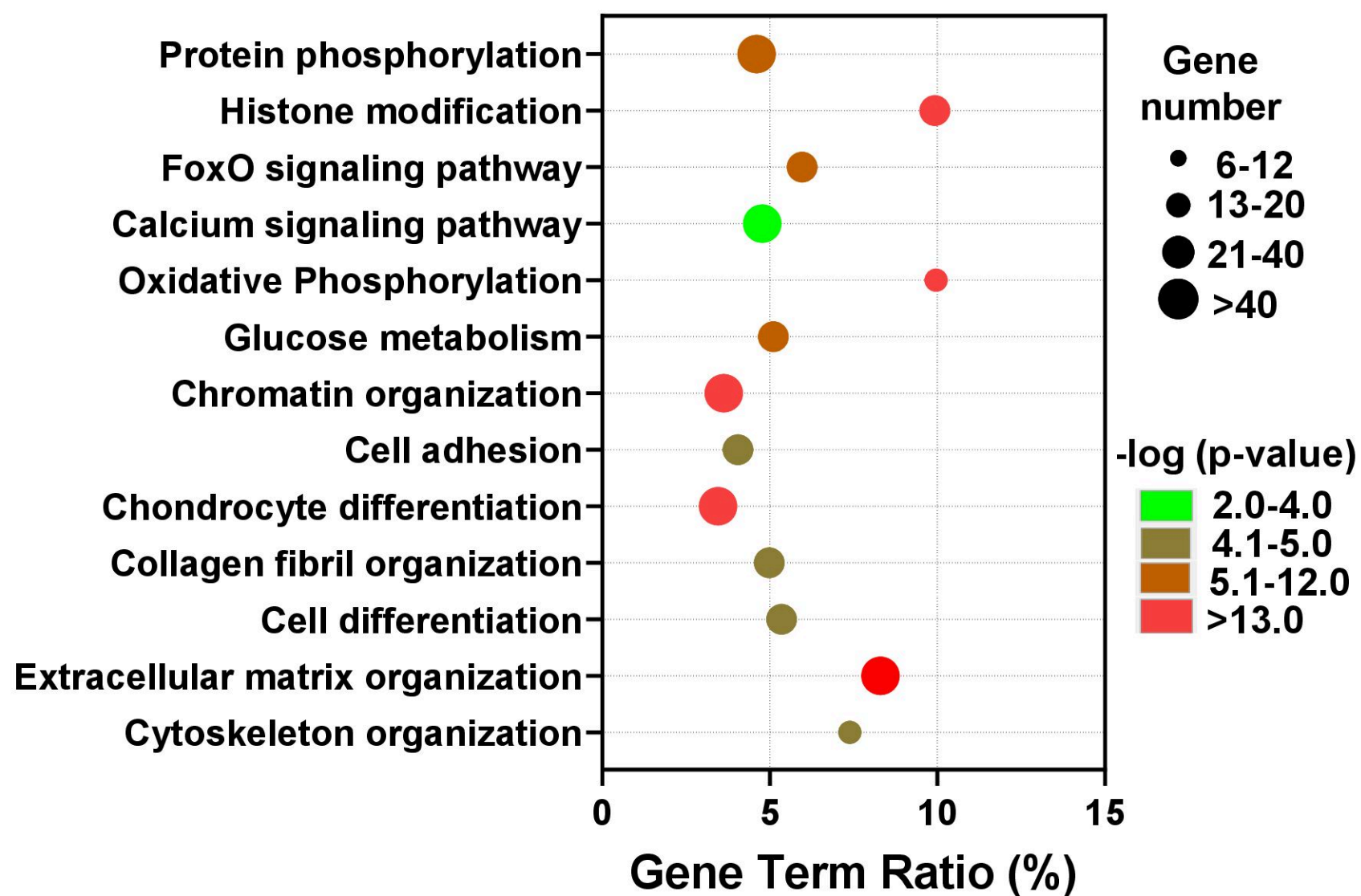
A Volcano Plot at Day 21



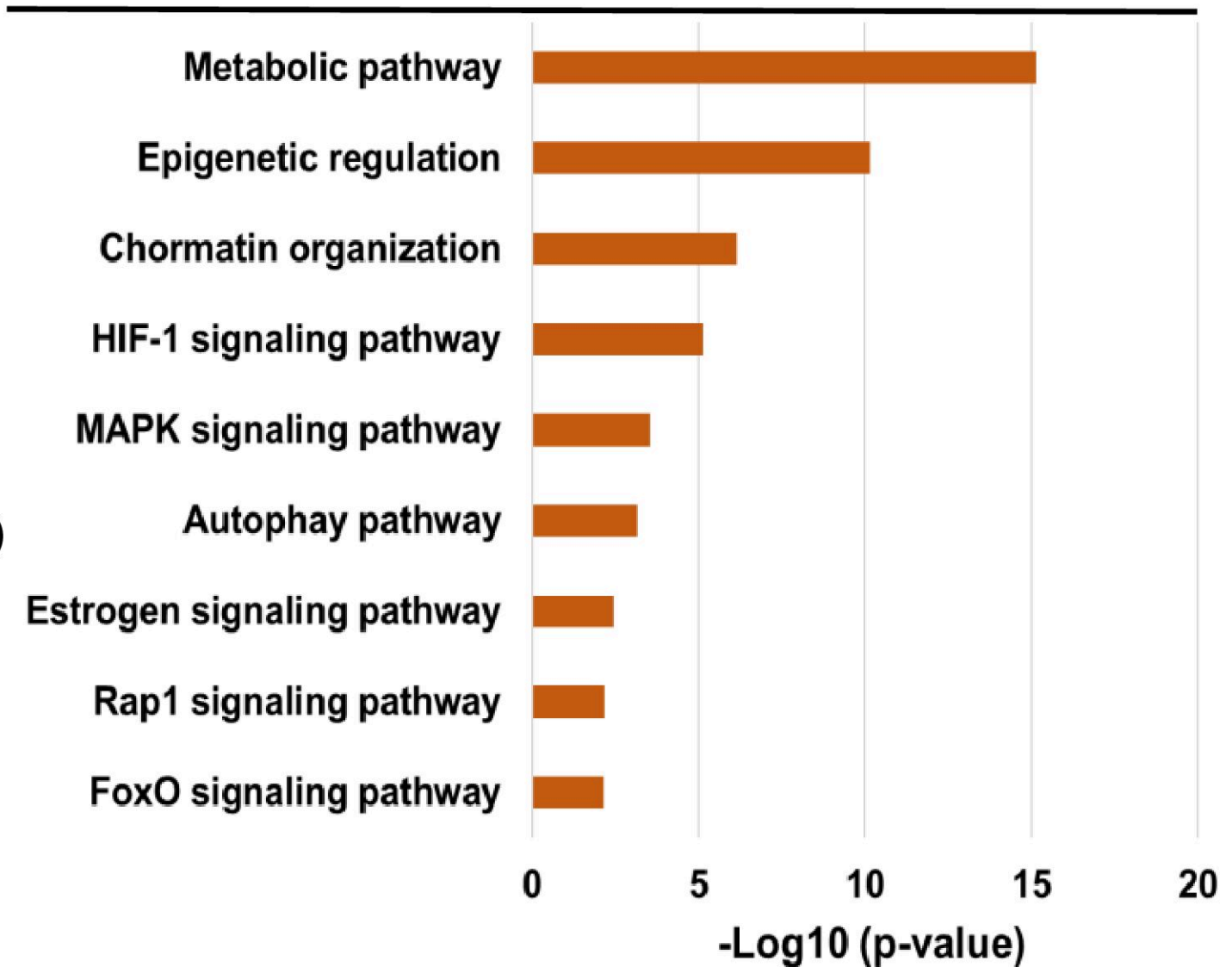
B PC Analysis at Day 21



C Gene Ontology (BP) analysis



D KEGG Pathway analysis



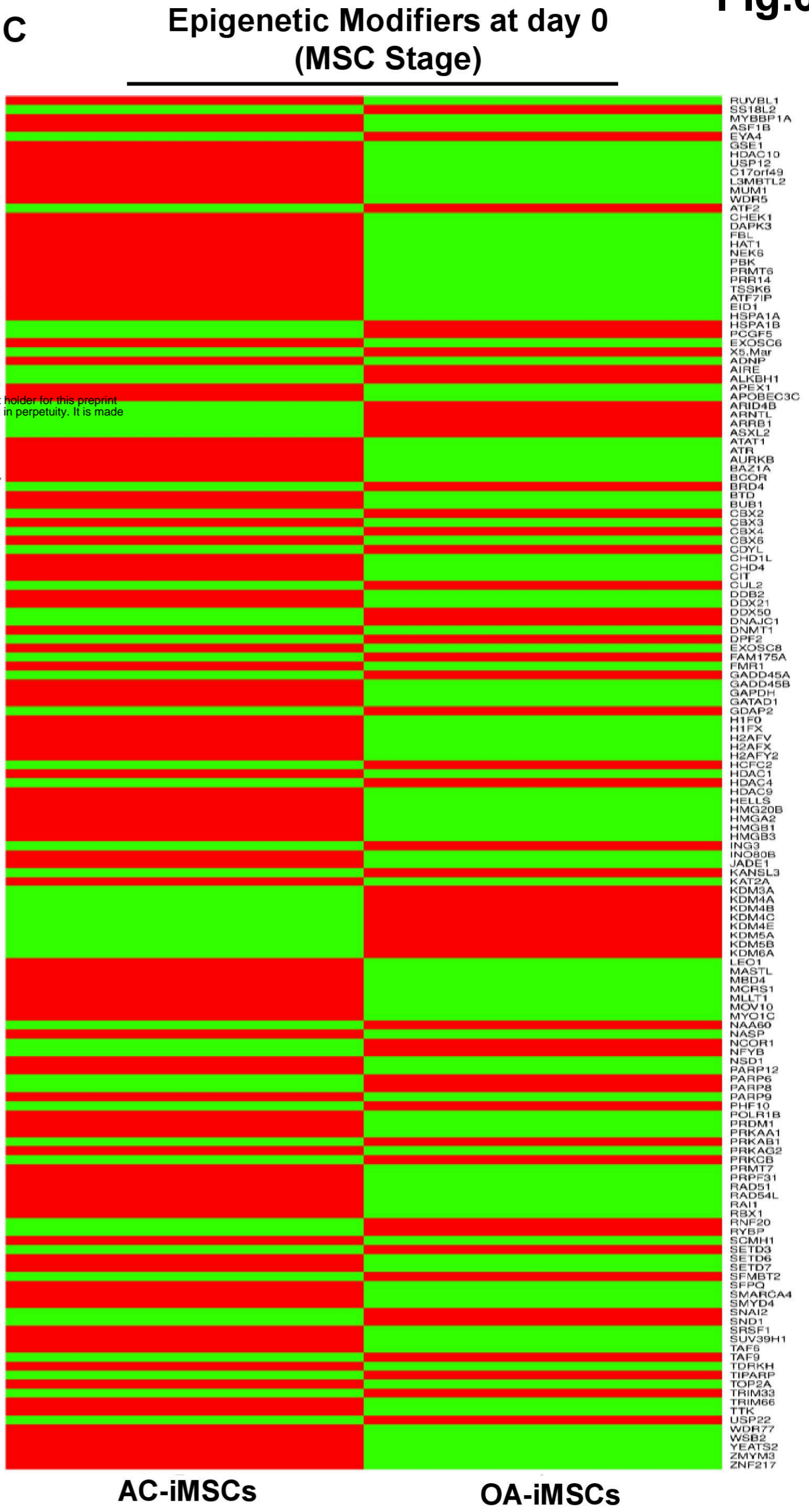
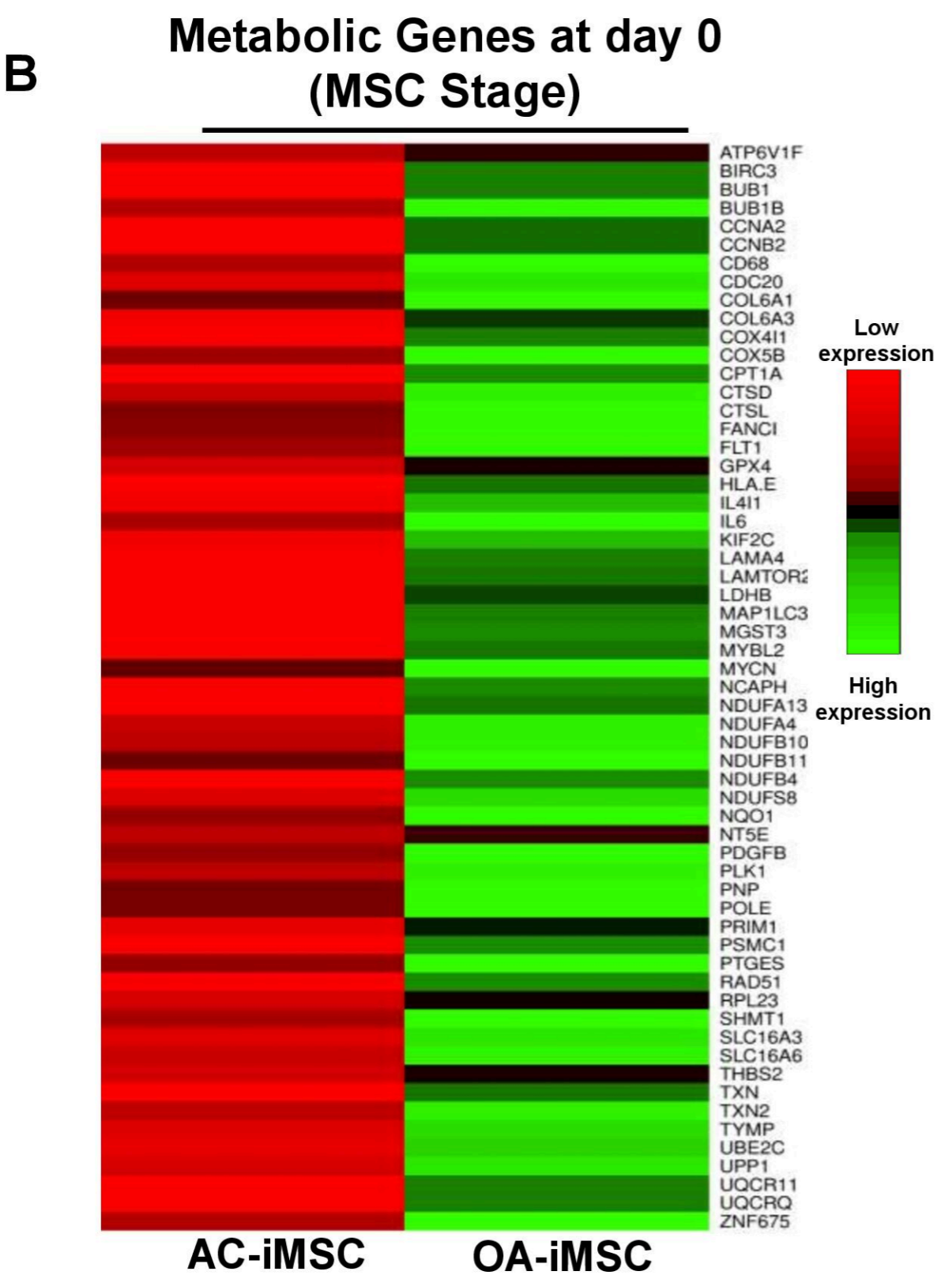
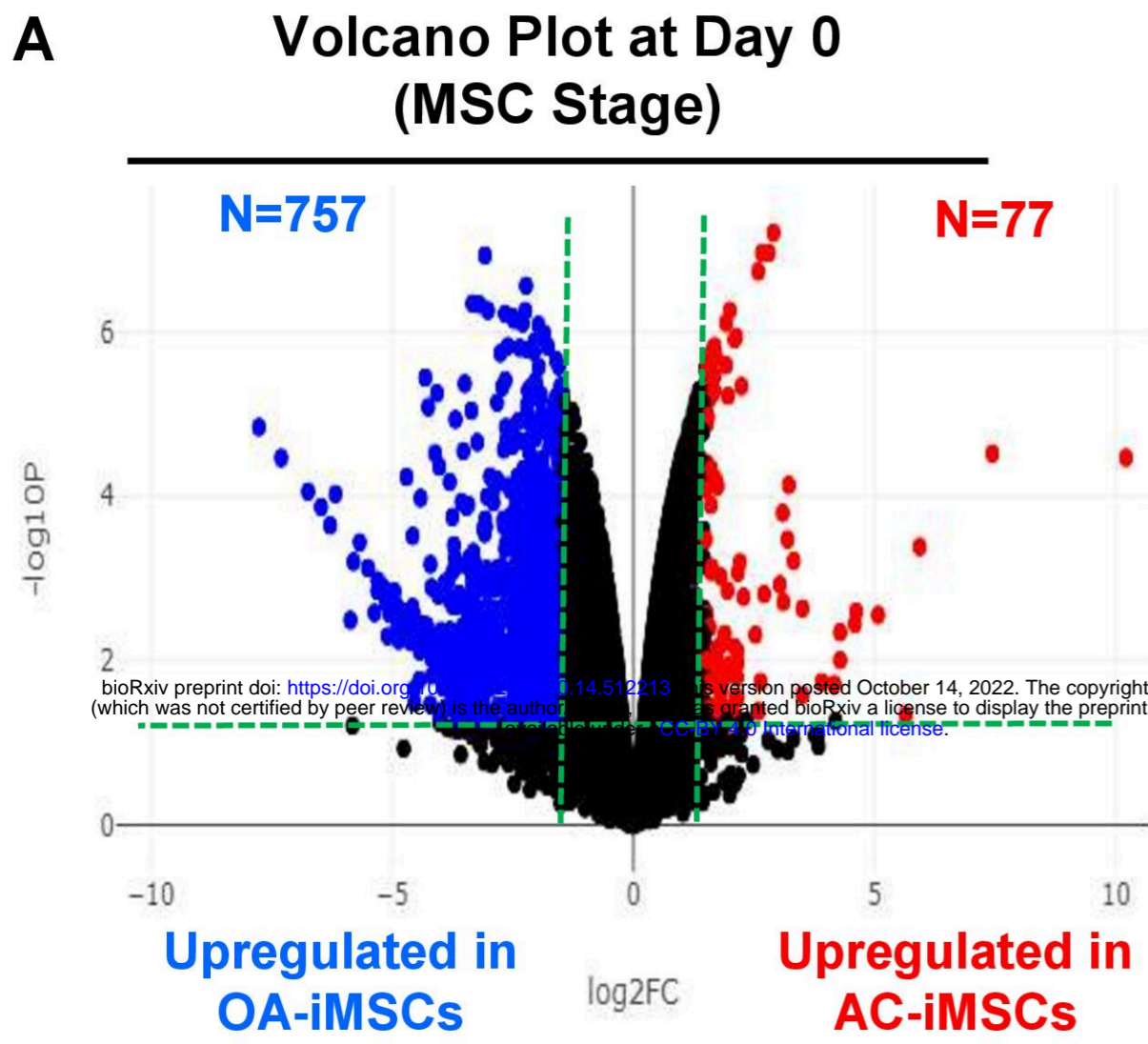
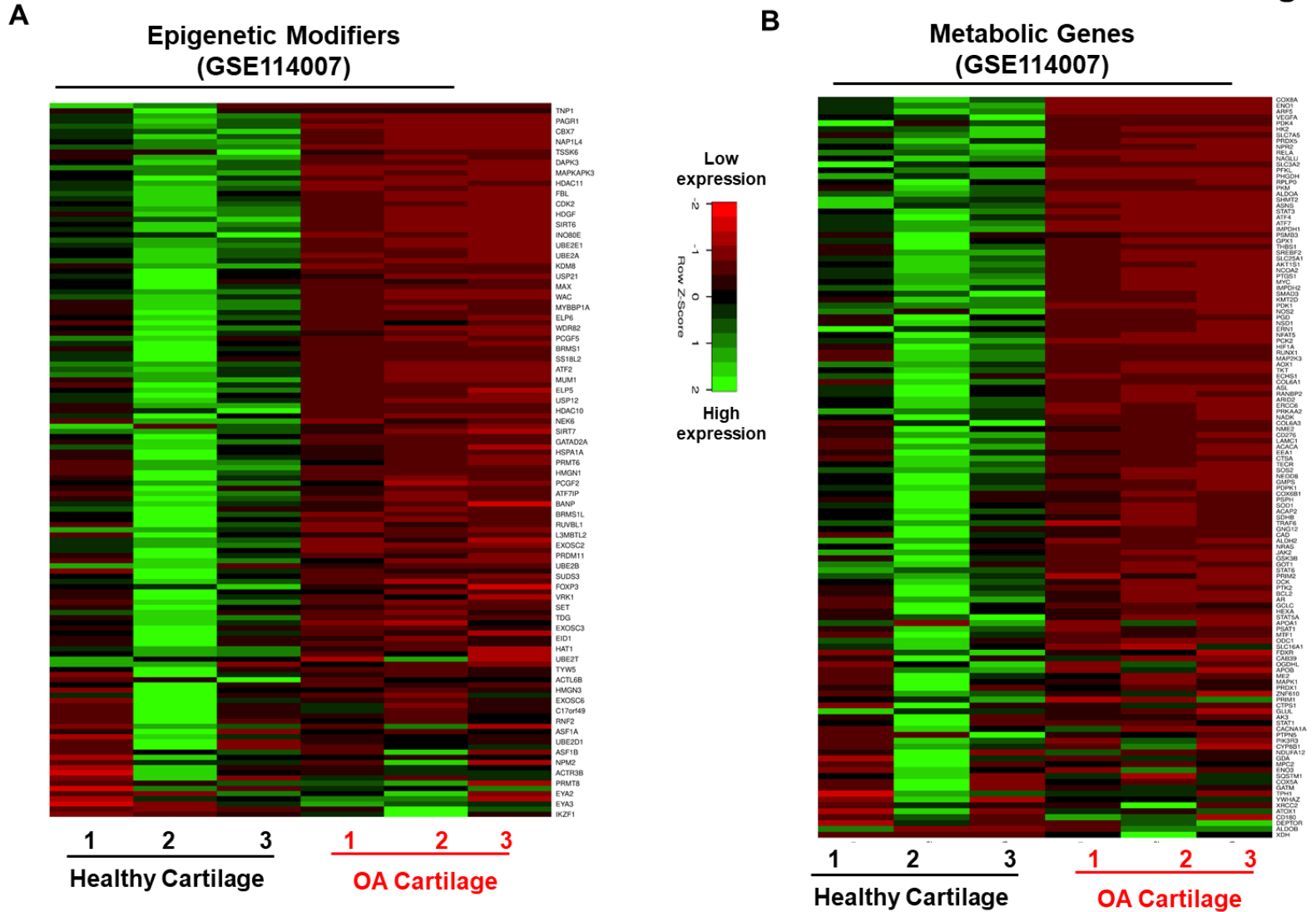


Fig.7



Sup. Fig. 1

