1 Lipid availability determines skeletal progenitor cell fate via SOX9

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The avascular nature of cartilage makes it a unique tissue¹⁻⁴, but whether and how the 39 40 absence of nutrient supply regulates chondrogenesis remains unknown. Here, we 41 show that obstruction of vascular invasion during bone healing favours chondrogenic 42 over osteogenic differentiation of skeletal progenitor cells. Unexpectedly, this process 43 is driven by a decreased availability of extracellular lipids. When lipids are scarce, 44 skeletal progenitors activate FoxO transcription factors, which bind to the Sox9 promoter and increase its expression. Besides initiating chondrogenesis, SOX9 acts 45 46 as a regulator of cellular metabolism by suppressing fatty acid oxidation, and thus 47 adapts the cells to an avascular life. Our results define lipid scarcity as an important determinant of chondrogenic commitment, reveal a role for FoxOs during lipid 48 starvation, and identify SOX9 as a critical metabolic mediator. These data highlight the 49 50 importance of the nutritional microenvironment in the specification of skeletal cell 51 fate.

52

53 Main text

Bone repair reiterates the developmental endochondral ossification process and is initiated by periosteal skeletal progenitor cells, forming first an avascular cartilage template that is later replaced by bone^{1,2}. Among the factors involved in chondrogenesis, the transcription factor SOX9 has been the most extensively studied, but how it is induced in skeletal progenitor cells is poorly understood. Since cartilage is avascular, the absence of blood vessels itself has been suggested to initiate chondrogenesis³⁻⁶, but a causal link has not been confirmed and remains controversial⁷. In this study, we provide evidence that local blood

vessel availability determines skeletal progenitor cell fate during bone healing through a
 multifaceted mechanism involving lipid metabolism, FoxO signalling and SOX9.

63

64 Vascularity controls skeletal cell fate

65 To investigate whether the absence of vasculature determines skeletal progenitor fate we 66 transplanted a viable (autologous) bone graft in a murine femoral defect, inducing a periosteal-driven healing response⁸. Periosteal progenitor cells near the host-graft border 67 68 formed cartilage, while cells in the centre differentiated directly into bone-forming osteoblasts 69 (Extended Data Fig. 1a). Periosteal cells did not contribute to blood vessels in the callus (Fig. 70 1a), but actively promoted vascular ingrowth as their removal reduced bone formation and 71 callus vascularization (Extended Data Fig. 1b-d). At post-fracture day (PFD) 7 the central 72 periosteal callus vasculature was highly connected with that of the surrounding muscle (Fig. 73 1b), suggesting that periosteal cells attract blood vessels from this site. To investigate the 74 importance of this vascular ingrowth for bone repair, we inserted polycarbonate filters with 75 different pore sizes between graft and muscle (Fig. 1c). Inserting a 30µm pore size filter still 76 allowed capillaries to transverse the pores at PFD7, whereas a 0.2µm pore size prevented 77 vascular ingrowth into the periosteal layer, evidenced by the numerous capillaries adjacent to 78 the filter at the muscle side and reduced callus vascularization (Fig. 1d). Concomitantly, 79 periosteal cellularity decreased because of reduced proliferation and moderately increased 80 cell death (Extended Data Fig. 2a,b), but more importantly the number of SOX9⁺ early 81 chondrogenic cells was higher at the central graft region (Fig. 1e). This chondrogenic switch 82 resulted in less bone (Extended Data Fig. 2c), but more type 2 collagen (COL2)⁺ cartilage 83 matrix formed in the central region at PFD 14 (Fig. 1f), where graft cells differentiated to 84 chondrocytes instead of osteoblasts (Extended Data Fig. 2d). At PFD28, successful healing 85 was observed in both conditions, although the presence of small cartilage islands in the 86 callus with filter (75.0 \pm 14.4% of sections) suggests delayed healing (Extended Data Fig. 2e, 87 f). Thus, skeletal progenitor cells undergo chondrogenic rather than osteogenic differentiation 88 when blood supply is limited, securing successful bone healing.

90 During bone healing, the vasculature supplies nutrients (oxygen, glucose, amino acids, lipids), growth factors and perivascular progenitor cells⁹. To distinguish between these 91 components, we applied a computational model of bone healing^{10,11} to our bone graft setup, 92 93 in which cell fate and tissue formation are controlled by nutrient availability, 94 osteochondrogenic growth factors, matrix density and local cell number (Extended Data Fig. 95 3a,b). The model correctly described the spatiotemporal progression of normal bone graft 96 healing (*i.e.* blood vessels can come from the muscle; compare Extended Data Fig. 3b with 97 Extended Data Fig. 1a). When the presence of a filter was mimicked by limiting diffusion of 98 nutrients from the muscle side (20-40% of the nutrients normally supplied by the 99 vasculature), the model recapitulated the chondrogenic switch in the central graft region 100 (Extended Data Fig. 3c,d). An extra supply of growth factors and/or progenitor cells from the 101 muscle side did not significantly affect this bone repair profile (Extended Data Fig. 3e). The in 102 silico model thus supports the hypothesis that nutrients supplied by the vasculature regulate 103 skeletal progenitor cell differentiation.

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105 Lipid scarcity induces chondrogenesis

To test this hypothesis, we investigated the nutritional control of cell fate using two models of skeletal progenitors: the C3H10T1/2 cell line, a homogeneous population retaining multipotency properties¹², and primary murine periosteal cells, more heterogeneous but containing true skeletal stem and progenitor cells¹³⁻¹⁵. We confirmed important findings in immunophenotypically-defined skeletal stem cells isolated from total long bones of new-born mice¹⁶, which are homogeneous but limited in number.

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113 Combined nutrient deprivation (CND; reduced levels of serum, oxygen, glucose and 114 glutamine) increased SOX9 protein and mRNA levels in C3H10T1/2 or periosteal cells, 115 without changes in osteogenic, adipogenic or myogenic transcription factor expression (Fig. 116 2a, Extended Data Fig. 4a-c). Depriving C3H10T1/2 cells of individual nutrients revealed that

low oxygen levels increased SOX9, as reported^{17,18}, while lowering glucose or glutamine 117 118 levels had little effect (Fig. 2b). Unexpectedly, serum deprivation (SD) led to massive and 119 rapid SOX9 accumulation on mRNA and protein levels, resulting from increased transcription 120 and translation (Fig. 2b, Extended Data Fig. 4d-g). Expression of osteogenic, adipogenic and myogenic transcription factors did not change (Extended Data Fig. 4h). SD increased SOX9 121 122 also in periosteal cells (Extended Data Fig. 4i) and enhanced their chondrogenic 123 differentiation in micromass cultures (Fig. 2c), but prevented osteogenic differentiation 124 (Extended Data Fig. 4j). A possible explanation for this chondrogenic switch is avoiding cell 125 death. Indeed, knock-down of SOX9 in C3H10T1/2 cells, periosteal cells and growth plate-126 derived chondrocytes reduced cell viability in CND, and to a minor extent also in SD 127 (Extended Data Fig. 4k,I). Thus, skeletal progenitor cells rapidly adapt to specific nutritional 128 stress by increasing SOX9 levels and undergoing chondrogenic commitment.

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130 Serum represents the main source of lipids, and we questioned whether SD-induced 131 chondrogenic commitment of skeletal progenitors could be attributed to lipid deprivation. Resupplying C3H10T1/2 cells with oleate (Fig. 2d), palmitate, very low density lipoproteins or 132 133 poly-unsaturated fatty acids (Extended Data Fig. 5a-c) prevented the increase in SOX9 134 during SD. In addition, lipid-reduced serum (LRS) mimicked the effects of SD. LRS increased SOX9 levels in C3H10T1/2 cells (Fig. 2e), promoted chondrogenic differentiation of 135 136 periosteal cells in micromass or pellet cultures, an effect partially reversed by exogenous fatty acids (Fig. 2f, Extended Data Fig. 5d), and inhibited their osteogenic differentiation 137 138 (Extended Data Fig. 5e). Importantly, SD or LRS also increased SOX9 levels in skeletal stem 139 cells (Extended Data Fig. 5f). In all studied cell types lipid deprivation increased the number of SOX9^{high} cells, and cell cycle and apoptosis analysis showed this was not due to selection 140 of a pre-existing SOX9^{high} population (Extended Data Fig. 5f-h). 141

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We next tested whether lipid availability also controls skeletal progenitor differentiation in more physiologically-relevant settings. Since it is not feasible to locally deprive cells

145 specifically of exogenous lipids in vivo, we first used embryonic metatarsal cultures, an 146 organ-like ex vivo model of bone development. SD increased the number of SOX9⁺ 147 chondrocytes and prevented osteogenesis, evidenced by decreased Col1a1-expressing cells 148 and less mineralization, which was reversed by fatty acid supplementation (Extended Data 149 Fig. 5i,j). Second, local injection of fatty acids during fracture repair reduced the amount of 150 cartilage in the callus, with no change in newly formed bone (Extended Data Fig. 5k). Third, 151 GW9508, an agonist of free fatty acid receptor 1 (FFAR1) and FFAR4, prevented the 152 increase in SOX9 induced by SD or LRS in the three cell models (Fig. 2g; Extended Data 153 Fig. 5I). In accordance, locally injecting GW9508 during fracture repair decreased cartilage in 154 the callus without affecting woven bone areas (Fig. 2h). Together, low local lipid levels 155 promote chondrogenesis of skeletal progenitor cells in vivo.

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157 Our findings suggest that the chondrogenic switch during bone graft healing in the presence 158 of a filter (Fig. 1) is primarily due to the absence of exogenous lipids, linked to poor 159 vascularization. We found that diffusion of lipids in a collagen gel containing periosteal cells 160 is much lower than glucose (Extended Data Fig. 5m), indicating that lipids are a limiting 161 nutrient when vascularization is inadequate. Furthermore, we could show that the absence of 162 specific cell types, potentially blocked by the filter, does not impact chondrogenesis. Indeed, 163 SD-supported chondrogenic differentiation of periosteal cells in micromass cultures was not 164 prevented by muscle-derived endothelial cells, macrophages or pericytes, in contrast to fatty 165 acid supplementation. (Extended Data Fig. 5n,o). Together with our in vivo (Fig. 1) and in 166 silico (Extended Data Fig. 3) results, this shows that lipid deprivation caused by reduced 167 vascularization is likely an important determinant of periosteal chondrogenesis during bone 168 healing.

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170 Chondrocytes have low FAO

171 Why would chondrogenic commitment be beneficial when lipids are scarce? We 172 hypothesized that chondrocyte metabolism does not rely on exogenous lipids. To test this,

173 we compared the metabolic profile of chondrocytes to that of skeletal progenitors and mature 174 osteoblasts (Fig. 3a, Extended Data Fig. 6a). Chondrocytes were highly glycolytic, as 175 reported^{19,20}. Osteoblasts showed the highest oxygen consumption rate (OCR), which was 176 not due to high glucose oxidation, but to a higher rate of fatty acid oxidation (FAO). 177 Chondrocytes showed low FAO and skeletal progenitors an intermediate profile. To confirm 178 these findings in vivo, we examined metabolic gene signatures in a mouse long bone single cell RNA sequencing dataset that we generated recently²¹. This atlas encompasses 17 non-179 hematopoietic cell types including skeletal progenitors, chondrocytes and osteoblasts 180 181 (Extended Data Fig. 6b). The different chondrocyte populations (clusters 2, 10, 13, 17; Sox9⁺Acan⁺) showed low expression of FAO genes and high expression of glycolytic genes 182 compared to osteoblasts (clusters 7, 8; $Col1a1^+Ocn^+$) and, to a minor extent, skeletal 183 184 progenitors (clusters 1, 4; Grem1⁺) (Extended Data Fig. 6b,c). Gene expression analysis 185 confirmed higher expression of the glycolytic genes Slc2a1 (encoding GLUT1), Pfkfb3 and 186 Ldha, but lower expression of the FAO-related genes Cpt1a, Acadm and Acadl in growth 187 plate cartilage versus cortical bone samples (Extended Data Fig. 6d). Immunohistochemistry showed low CPT1a levels and high GLUT1 levels in chondrocytes of the growth plate and 188 189 fracture callus, while trabecular bone osteoblasts displayed both high CPT1a and GLUT1 190 (Fig. 3b). Intravenous injection of fluorescent fatty acid and glucose analogs revealed 191 labelled fatty acids in osteoblasts but not chondrocytes in the growth plate or fracture callus, 192 while labelled glucose was taken up by both cell types (Extended Data Fig. 6e,f), confirming 193 that low FAO in chondrocytes correlates with lipid scarcity. Transplantation experiments 194 showed that loss of CPT1a abrogates osteogenic differentiation of skeletal stem cells during 195 fracture healing, but preserves their ability to become chondrocytes (Fig. 3c; Extended Data 196 Fig. 6g). In addition, etomoxir, a CPT1 inhibitor, decreased viability and numbers of cultured 197 calvarial osteoblasts but not growth plate-derived chondrocytes (Extended Data Fig. 6h). Thus, chondrocytes exhibit a low rate of FAO consistent with local lipid scarcity, and do not 198 199 depend on this pathway to fulfil their metabolic demands.

201 SOX9 suppresses FAO

202 We next determined how lipid deprivation affects the rate of FAO in skeletal progenitor cells. 203 As expected, oxidation of extracellular palmitate immediately dropped after exposing 204 periosteal cells to SD or LRS (Fig. 3d, Extended Data Fig. 7a). Surprisingly, cells did 205 temporarily maintain total FAO, quantified indirectly by measuring etomoxir-sensitive OCR²², for 6 hours after SD (Fig. 3e, Extended Data Fig. 7b), suggesting that initially they 206 207 compensate for the exogenous lipid scarcity, possibly through mobilization of intracellular 208 lipid stores. Indeed, fluorescent fatty acids translocated from lipid droplets (LDs) into 209 mitochondria, where FAO takes place, when periosteal cells were exposed to SD (Extended 210 Data Fig. 7c). Both starvation-induced LD generation and breakdown are linked to 211 autophagy^{23,24}, and we confirmed that C3H10T1/2 cells and periosteal cells activate 212 autophagy early after SD (Extended Data Fig. 7d-f). In accordance, LD number initially 213 increased during SD in C3H10T1/2 cells before decreasing at 6 hours, and knockdown of the essential autophagosome protein ATG5²⁵ prevented both the initial increase and late 214 215 breakdown of LDs after SD (Extended Data Fig. 7g). Furthermore, the lysosomotropic drug 216 chloroquine immediately reduced the FAO-linked OCR upon exposure of periosteal cells to 217 SD (Extended Data Fig. 7h) and decreased survival of C3H10T1/2 cells and periosteal cells during SD (Extended Data Fig. 7i). Together, these data show that skeletal progenitors 218 219 depend on lysosome-mediated mobilization of intracellular lipid stores to temporarily support 220 FAO and secure survival when extracellular lipids become limited.

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The increase in SOX9 levels (Extended Data Fig. 4d,e) and the decrease in total FAO (Fig. 3e) occur concomitantly after lipid deprivation, suggesting they are connected. Deletion of SOX9 in periosteal cells prevented the suppression of FAO by SD (Fig. 3f), while inhibition of FAO with etomoxir did not alter SOX9 levels (Extended Data Fig. 7j). Moreover, knockdown of SOX9 in growth plate-derived chondrocytes induced not only loss of typical chondrocyte characteristics such as cobblestone-like morphology and expression of *Col2a1* and *Acan* (Extended Data Fig. 7k,l), but also increased *Cpt1a* and *Acadl* expression (Extended Data

Fig. 7I) and the rate of FAO in chondrocytes (Fig. 3g,h). In contrast, overexpression of SOX9 in calvarial osteoblasts decreased FAO (Fig. 3h). SOX9 thus acts as a metabolic regulator in chondrogenic cells by suppressing FAO.

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FoxOs induce SOX9 upon lipid starvation

We next examined how lipids regulate SOX9 levels. Transcriptomics showed robust 234 235 upregulation of Sox9 expression in C3H10T1/2 cells starting at 1 hour after SD and 236 increased expression of several other chondrogenic markers, but not all, from 3 hours 237 onwards (Extended Data Fig. 8a). Differential expression analysis showed that 678 (1 hour), 238 4022 (3 hours) and 3811 (6 hours) genes were significantly upregulated by SD, including 239 Sox9 as one of the top hits at all time points (Fig. 4a; Extended Data Fig. 8b). 757 (1 hour), 240 2167 (3 hours) and 3872 (6 hours) genes were significantly downregulated, including genes 241 associated with proliferation (Egr3, Dusp5, Errfi1), skeletal stem cells (Nes, Itga5) and 242 osteogenesis (Spp1, Adam19) (Fig. 4a; Extended Data Fig. 8b). Transcription factor binding motif analysis²⁶ of the top 100 overexpressed genes at each timepoint showed strong 243 enrichment of the FoxO/Forkhead motif (Fig. 4b, Extended Data Fig. 8c). We confirmed that 244 245 SD increases nuclear FoxO1 and FoxO3a in C3H10T1/2 cells (Fig. 4c,d) and active FoxO levels in C3H10T1/2 cells and skeletal stem cells, an effect prevented by exogenous fatty 246 247 acids (Fig. 4e; Extended Data Fig. 8d-f), indicating that extracellular lipids control FoxO 248 activity. More specifically, FoxO1 and FoxO3a showed increased binding to the Sox9 249 promoter during SD (Fig. 4f; Extended Data Fig. 8g), and the FoxO inhibitor AS1842856 250 prevented induction of SOX9 during lipid deprivation in all cell types (Fig. 4g; Extended Data 251 Fig. 8h). Similar results were obtained using a CRISPR/Cas9 approach to conditionally delete FoxO1 and FoxO3a in C3H10T1/2 cells, or using shRNAs in skeletal stem cells 252 (Extended Data Fig. 8i,j). These data demonstrate that FoxOs directly control Sox9 253 254 transcription during lipid deprivation.

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256 We next confirmed the relation between lipid deprivation, FoxOs and SOX9 during bone 257 healing. First, the presence of the filter (0.2µm) during bone graft healing increased the 258 number of cells positive for nuclear FoxO3a in the central periosteal region (Fig. 4h), similar 259 to the increase in SOX9⁺ cells (Fig. 1e). Second, stimulation of fatty acid signalling using the 260 FFAR1/4 agonist GW9508 during fracture healing strongly reduced the number of FoxO3a⁺ 261 nuclei in the periosteal callus (Extended Data Fig. 8k), correlating with reduced amounts of 262 cartilage (Fig. 2h). Third, skeletal stem cells with FoxO1 and FoxO3 inactivation failed to 263 engraft into tibial fractures (Extended Data Fig. 8I), which may be due to their inability to 264 increase SOX9 levels upon lipid deprivation, or a general failure to survive transplantation-265 associated stress. Finally, local injection of the FoxO inhibitor AS1842856 daily during 266 fracture healing reduced the amount of cartilage, while not affecting new bone formation (Fig. 267 4i). Thus, FoxO signalling *in vivo* is negatively regulated by lipid availability and is required 268 for skeletal progenitor cell chondrogenesis and survival during bone healing.

269

270 **Discussion**

271 Based on our findings, we propose a model in which the local vasculature, through supply of 272 lipids, influences skeletal progenitor differentiation during fracture healing (Fig. 4j). Cells 273 close to blood vessels become osteoblasts, which depend on FAO to support their metabolic 274 demands. Skeletal progenitors in poorly vascularized regions sustain FAO for a short time by 275 mobilizing intracellular lipid stores, and then activate FoxO signalling as a result of 276 exogenous lipid starvation. Nuclear localization of FoxOs promotes expression of SOX9, 277 which induces chondrogenic commitment and suppresses FAO to allow long-term cell 278 survival.

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Low lipid levels are thus the main nutritional determinant for chondrogenic commitment of skeletal progenitor cells, rather than lack of oxygen or glucose^{19,20,27}, although growth factors are indispensable to activate the full chondrogenic differentiation program^{1,2,9}. In contrast to osteoblasts^{28,29}, we find that chondrocytes are largely independent of FAO, consistent with

284 poor diffusion of fatty acids in cartilage tissue. This metabolic independence from 285 extracellular lipids would therefore be beneficial in the avascular cartilage environment. FAO 286 in chondrocytes is suppressed by SOX9, attributing a novel metabolic regulatory role to this transcription factor. Mechanistically, reduced lipid availability is translated into SOX9 287 production through FoxOs, well-known regulators of the cellular response to metabolic 288 289 stress³⁰. We propose lipid starvation as an additional trigger for FoxO activation, although the 290 full signalling cascade and exact lipid sensor remain unknown. Of interest, osteoarthritis is associated with increased angiogenesis and FAO^{31,32} but reduced SOX9 levels and FoxO 291 292 activity^{33,34}. Our results show that all of these phenomena may be connected to local lipid 293 availability, suggesting that manipulation of lipid metabolism could be of therapeutic interest. 294 More generally, our findings show that local nutrient levels can decide stem cell lineage 295 choice through direct transcriptional changes. As a consequence, the metabolic profile of a 296 mature cell may reflect microenvironmental constraints as much as particular cellular needs.

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377 Figure legends

378 Figure 1: Preventing vascular ingrowth during bone healing induces chondrogenesis

379 (a) Immunofluorescence analysis of bone graft periosteal cell tracing showing contribution to cartilage and bone (arrows: GFP⁺ osteoblasts, arrowheads: GFP⁺ osteocytes) in the graft 380 381 callus at PFD14, while CD31⁺ blood vessels (red) are mainly host-derived (representative images of 4 mice). Scale bars, 50µm. (b) Immunofluorescence analysis of a bone autograft 382 383 section revealing the interconnected periosteal callus and skeletal muscle vasculature at PFD7 (representative image of 3 mice). Scale bar, 200µm. (c) Schematic representation of 384 385 the autograft model with filter. (d) Immunohistochemical analysis and quantification of callus 386 vascularization at PFD7 when a filter with 30µm (filter 30; arrows indicate blood vessels 387 passing through filter pores) or 0.2µm (filter 0.2) pore size was placed in between muscle and 388 graft (n=4 mice for control and filter 30, n=5 mice for filter 0.2). Scale bars, 50µm in detail 389 images, 200µm in other images. (e) Visualization and quantification of early chondrogenic 390 cells in the callus of grafts with or without a filter (0.2µm) at PFD7 by immunofluorescence for 391 SOX9 (n=7 mice). Scale bars, 50µm. (f) Visualization and guantification of cartilage in the 392 callus of autografts with and without filter (0.2µm) at PFD14 by immunofluorescence for 393 collagen type 2 (COL2) (n=4 mice for control, n=6 mice for filter 0.2). Scale bars, 500µm. b:

bone, c: cartilage, f: filter, g: graft, h: host, m: muscle, pc: periosteal callus. Mean ± s.e.m.

395 One-way ANOVA with Bonferroni post-hoc test (**d**), two-tailed Student's t-test (**e**,**f**).

396

397 Figure 2: Lipid scarcity induces SOX9 in skeletal progenitors

398 (a,b) Immunoblot detection of total SOX9 in C3H10T1/2 cells exposed for 24 hours to control 399 or CND medium (a) or to different nutritional stresses (b), with β -actin as loading control (n=2 400 independent experiments). (c) Chondrogenic differentiation of periosteal cells in control or 401 SD medium, assessed by visualization of chondrogenic matrix deposition (Alcian Blue staining) and quantification of Sox9, Col2a1 and Acan mRNA levels (relative to Actin, n=6 402 403 biologically independent samples). (d,e) Immunoblot detection of total SOX9 in C3H10T1/2 404 cells exposed for 6 hours to control, SD or SD medium supplemented with increasing concentrations of oleate (d) or to LRS medium (e), with β -actin as loading control (n=2 405 406 independent experiments). (f) Chondrogenic differentiation of periosteal cells in control, LRS, SD or SD medium supplemented with 60µM oleate (OL), assessed by Alcian Blue staining 407 408 and quantification of Col2a1 and Acan mRNA levels (relative to Actin, n=6 biologically 409 independent samples). (g) Flow cytometric quantification of total SOX9 levels in periosteal cells exposed for 24 hours to control, SD or LRS medium supplemented with 100µM 410 411 GW9508 (FFAR1/4 agonist) or vehicle (DMSO) (n=3 biologically independent samples). (h) 412 Histological visualization (Safranin O staining) and quantification of cartilage and woven bone 413 in the callus at PFD7 of mice treated daily with GW9508 (10nmol) or vehicle (0.2% DMSO in 414 saline) at the fracture site (n=5 mice). Scale bars, 500µm. Mean ± s.e.m. Two-tailed 415 Student's t-test (c,h), one-way ANOVA (f) or two-way ANOVA (g) with Bonferroni post-hoc 416 test. For gel source data, see Supplementary Figure 1.

417

418 Figure 3: SOX9 suppresses FAO in chondrocytes

(a) Quantification of glucose consumption and lactate secretion (PC, COB: n=6, GCH: n=5
biologically independent samples), glycolytic rate (n=3 biologically independent samples),
oxygen consumption (PC, COB: n=7, GCH: n=5 biologically independent samples), glucose

422 oxidation (n=3 biologically independent samples) and palmitate oxidation (n=3 biologically 423 independent samples) in periosteal cells (PC), growth plate-derived chondrocytes (GCH) and 424 calvarial osteoblasts (COB). (b) Analysis of adjacent histological sections of a growth plate 425 and fracture callus (PFD7) by Safranin O staining (cartilage) or immunofluorescence for CPT1a or GLUT1 (representative images of 3 mice). Scale bars, 100µm. b: bone, c: 426 427 cartilage. Dotted white lines delineate cartilage areas. (c) Histological visualization and 428 quantification of early chondrogenic (SOX9⁺) and osteogenic (COL1⁺) cells in the callus of 429 fractures (PFD7) transplanted with CAG-DsRed⁺ skeletal stem cells (SSC) transduced with 430 shCPT1a or shSCR (n=3 mice). Scale bars, 50µm. (d) Measurement of oxidation of 431 extracellularly added palmitate by periosteal cells in control medium or at different times in 432 SD medium (n=3 biologically independent samples). (e) Quantification of FAO-linked OCR in 433 periosteal cells in control medium or at different times in SD medium (3h: n=2, other 434 timepoints: n=3 biologically independent samples). (f) Quantification of FAO-linked OCR in 435 periosteal cells, transduced with shSOX9 or shSCR, in control medium or at different times in 436 SD medium (shSCR 12h, shSOX9 control, shSOX9 3h: n=5, all others: n=6 biologically 437 independent samples). (g) Quantification of FAO-linked OCR in GCH transduced with 438 shSOX9 or shSCR (n=5 biologically independent samples). (h) Quantification of palmitate 439 oxidation in GCH transduced with shSOX9 or shSCR, and in COB transduced with a lentiviral vector encoding SOX9 (SOX9 overexpression; SOX9^{OE}) or an empty vector (EV) (n=4 440 biologically independent samples). Mean ± s.e.m. One-way ANOVA (a,d,e) or two-way 441 442 ANOVA (f) with Bonferroni post-hoc test, two-tailed Student's t-test (c,g,h).

443

444 Figure 4: Lipids regulate SOX9 through FoxO signalling

(a,b) Volcano plot showing significantly enriched and depleted mRNAs (a) and top 10 most
significantly enriched transcription factor motifs with normalized enrichment scores (NES) as
determined by i-cisTarget analysis (b) in C3H10T1/2 cells exposed for 1 hour to SD versus
control medium (n=3 replicates). Motif shown on top is the Forkhead/FoxO motif. (c)
Confocal microscopy of C3H10T1/2 cells stained for FoxO1 (top) or FoxO3a (bottom) shows

450 increased nuclear localization after exposure of cells for 3 hours to SD or LRS 451 (representative images of 2 independent experiments). Scale bars, 20µm. (d) Immunoblot 452 detection of nuclear FoxO1 and FoxO3a in C3H10T1/2 cells exposed for 1, 3 or 6 hours to 453 control or SD medium, with Lamin A/C as loading control (n=2 independent experiments). (e) Nuclear FoxO activity in C3H10T1/2 cells exposed for 3 hours to control, SD or LRS medium 454 455 supplemented with vehicle (EtOH), oleate (60µM) or poly-unsaturated fatty acids (PUFA) (n=3 independent experiments). (f) Occupancy of FoxO3a at the Sox9 promoter of Cas9-456 457 expressing C3H10T1/2 cells transduced with inducible short guidance RNA against FoxO1 458 (sgFoxO1), sgFoxO3a or a scrambled sgRNA (sgSCR), exposed for 3 hours to control or SD 459 medium in the presence of doxycycline (250ng/ml), as determined by ChIP-gPCR (n=3 independent experiments). (g) Flow cytometric quantification of total SOX9 levels in 460 461 periosteal cells exposed for 24 hours to control, SD or LRS medium supplemented with 1µM AS1842856 (FoxO inhibitor) or vehicle (DMSO) (n=4 biologically independent samples). (h) 462 463 Histological visualization and quantification of FoxO3a-expressing cells in the central 464 periosteal callus of grafts with or without a filter (0.2µm pore size) at PFD7 (control: n=7, filter 0.2: n=8 mice). Scale bars, 50µm. (i) Histological visualization (Safranin O staining) and 465 466 quantification of cartilage and woven bone in the callus at PFD7 of mice treated daily with 467 AS1842856 (500pmol) or vehicle (0.1% DMSO in saline) at the fracture site (vehicle: n=4, AS1842856: n=5 mice). Scale bars, 500 μ m. (j) Schematic overview of main findings. Mean \pm 468 s.e.m. Two-way ANOVA with Bonferroni post-hoc test (e-g), two-tailed Student's t-test (h,i). 469 470 For gel source data, see Supplementary Figure 1.

471

- 472 Methods
- 473 **Mice**

C57BL/6J mice, 129/Sv mice (Janvier Labs), B6.Cg-Tg(CAG-EGFP) mice³⁵, B6.Cg-Tg(Col1a1-cre/ERT2,-DsRed)1Smkm/J mice³⁶, B6;129S4-Sox9tm1.1Tlu/J mice and B6.Cg-Tg(CAG-DsRed*MST)1Nagy/J mice (The Jackson Laboratory) were used in this study.
Unless otherwise specified, both male and female mice were used for all experiments. All animal experiments were conducted according to the regulations and with approval of the Animal Ethics Committee of the KU Leuven.

480

481 Murine bone healing models

482 The femoral segmental bone graft model was adapted from a previously described model⁸. 8-10 week old male C57BL/6J mice were anaesthetized with a ketamine-xylazine mixture 483 (100mg/kg ketamine and 15mg/kg xylazine) and the right femur was exposed. A mid-484 485 diaphyseal 4mm bone segment was excised with a 6.5mm diamond saw disk (Codema), briefly washed in saline to remove the bone marrow (periosteum not removed) and the 486 segment was subsequently re-implanted in the defect (autograft). To investigate the 487 488 contribution of donor cells, grafts were isolated from CAG-EGFP mice (periosteum not 489 removed) and transplanted in wildtype littermates. To obtain devitalized allografts, 4mm bone 490 segments were isolated from 129/Sv mice, washed in saline to remove the bone marrow, 491 scraped to remove the periosteum, sterilized in 70% ethanol and frozen at -80°C for at least 492 1 week. After graft implantation, the defect was stabilized with an intramedullary metal pin 493 (22 gauge needle). To create a compromised host environment, a polycarbonate filter with a 494 pore size of 30µm or 0.2µm (Sterlitech) was inserted in between the muscle and the graft at 495 the time of surgery.

496

The tibial fracture healing model was performed as previously described⁵. For studies with the FFAR1/4 agonist GW9508 mice were treated daily by subcutaneously injecting 50µl of a 200µM GW9508 (Cayman Chemical) solution or vehicle (0.2% dimethylsulfoxide (DMSO) in

500 saline) at the fracture site. For fatty acid delivery, mice were treated daily by subcutaneously 501 injecting 20µl corn oil (Sigma) or control solution (saline) at the fracture site. For studies with 502 the FoxO inhibitor AS1842856, mice were treated daily by subcutaneously injecting 50µl of a 503 10µM AS1842856 (Calbiochem) solution or vehicle (0.1% DMSO in saline) at the fracture 504 site. For metabolite labelling experiments mice were injected intravenously with the 505 fluorescent fatty acid analog BODIPY 558/568 C12 (Red-C12; Invitrogen) at 1mg/kg body 506 weight and the fluorescent glucose analog 2-NBDG (Invitrogen) at 12.5mg/kg body weight, 507 15 minutes prior to euthanasia. For skeletal stem cell transplantations, 100,000 cells 508 (shCPT1a experiments) or 20,000 cells (shFoxO1/3a experiments) were resuspended in 5µl 509 of a 5mg/ml collagen gel (rat tail collagen type I, Corning) and transplanted at the fracture 510 site at the time of surgery.

511

512 microCT analysis

513 Mice were euthanised at 2 or 4 weeks after surgery and grafted bones were isolated. For 514 bone analysis, samples were scanned using the high resolution SkyScan 1172 micro-515 computed tomography (microCT) system (Bruker-microCT) at a pixel size of 10µm with 50kV 516 tube voltage and 0.5mm aluminium filter. To reduce the metal artefacts induced by the 517 presence of the intramedullary pin, microCT projection data was reconstructed using an iterative reconstruction technique and projection completion³⁷. Custom software was made in 518 519 MeVisLab (MeVis Medical Solutions AG) to visualize and analyse the obtained microCT 520 images. The boundary between graft and callus was manually delineated and mineralized 521 tissue was segmented using hysteresis thresholding. For visual representation grafts are 522 represented in a different colour than callus/host bone. The coverage ratio was calculated as 523 the percentage of the graft surface that is covered with callus by determining whether the 524 normal line to the graft surface encounters mineralized callus, for each point of the graft 525 surface.

526

527 For visualization and quantification of the vasculature, mice were anaesthetized with a ketamine-xylazine-heparin mixture (100mg/kg ketamine, 15mg/kg xylazine and 1,000U/kg 528 529 heparin) and successively perfused with 10ml of heparinized saline (100U/ml), 10ml of a 10% 530 neutral-buffered formalin solution, 10ml of saline and 5ml of a preheated 30% barium sulphate solution (Micropaque, Guerbet) containing 2% gelatine. After perfusion, animals 531 532 were placed on ice for at least 1 hour and subsequently kept at 4°C overnight to allow the gelatine to solidify, before removing the grafted hindlimbs for dual-energy microCT 533 analysis^{38,39}. Two microCT scans of each sample were taken on the SkyScan 1172 microCT 534 system with effective beam energy below (50kV tube voltage with 0.5mm aluminium filter) 535 536 and above (100kV tube voltage with 0.5mm aluminium and 0.038mm copper filter) the K-537 edge energy of barium sulphate, both with an image pixel size of 5µm. By combining the low 538 and high energy acquisitions, an image of the (barium sulphate-perfused) vasculature only was reconstructed as described^{38,39} and a segmentation of the vasculature was obtained by 539 540 thresholding this image. A segmentation of the bone was obtained by thresholding the bone 541 and vasculature out of the low energy reconstruction and removing the calculated 542 vasculature from it. After delineating a 250µm wide region of interest around the graft surface 543 using a custom made MeVisLab software package, calculation of the number of blood 544 vessels and the average vessel thickness was performed using the CTAn software (Bruker-545 microCT).

546

547 (Immuno)histochemistry

To isolate bones for histological analysis, mice were anaesthetized with ketamine-xylazineheparin and perfused with 10ml of heparinized saline followed by 10ml of 2% paraformaldehyde in phosphate-buffered saline (PBS). Isolated bones were further fixed in 2% paraformaldehyde overnight and decalcified in EDTA for 14 days at 4°C. Samples were either embedded in paraffin and sectioned at 4µm, embedded in agarose for vibratome sections (100µm thick) or embedded in NEG-50 frozen section medium (Richard-Allen Scientific) and sectioned at 7µm using the CryoJane Tape-Transfer System (Leica) for

555 samples containing fluorescent protein-expressing cells. Staining with haematoxylin and 556 eosin (H&E) and Safranin O, terminal deoxynucleotidyl transferase dUTP nick end labelling 557 (TUNEL) staining and immunohistochemical staining for BrdU, CD31 and COL2 are routinely used in our laboratory and have all been described previously^{5,13,40-43,}. For SOX9, COL1, 558 CPT1a, GLUT1 and FoxO3a immunohistochemical staining, sections were deparaffinised 559 560 and blocked for 30 minutes in 0.1M Tris-HCl, 0.15M NaCl, pH 7.6 (TNT) with 0.5% Blocking 561 Reagent (NEN, PerkinElmer) and 20% normal goat serum (DAKO). Subsequently, sections 562 were incubated overnight with a rabbit-anti-SOX9 primary antibody (Novus Biologicals; NBP1-85551; 1/100), rabbit-anti-COL1 primary antibody (Novus Biologicals; NB600-408; 563 564 1/100), rabbit-anti-CPT1a primary antibody (Cell Signaling Technology; #12252; 1/50), rabbit-565 anti-GLUT1 primary antibody (Cell Signaling Technology; #12939; 1/100) or rabbit-anti-566 FoxO3a primary antibody (Cell Signaling Technology, #2497, 1/100) diluted in TNT with 0.5% 567 Blocking Reagent, followed by three washes with TNT containing 0.05% Tween-20. Next, 568 slides were incubated for 1 hour with an AlexaFluor 546- or AlexaFluor 488-conjugated goat-569 anti-rabbit secondary antibody (Invitrogen; A-11010 and A-11034) diluted 1/200 in TNT/0.5% 570 Blocking Reagent, washed and counterstained with Hoechst33342 (20µg/ml in PBS; 571 Invitrogen). Stainings omitting the primary antibody were used as negative controls.

572

573 Images were taken on a Zeiss Axioplan 2 light microscope, Zeiss LSM510-META NLO multi-574 photon confocal microscope or Zeiss LSM880 confocal laser scanning microscope. Histomorphometry was performed using the Zeiss AxioVision software, ImageJ software 575 (National Institutes of Health) and CellProfiler software⁴⁴. Quantification of blood vessels or 576 577 proliferating cells was performed by respectively counting CD31⁺ vessels or BrdU⁺ cells in a 578 250µm-wide region of interest adjacent to the graft surface. Apoptotic or chondrogenic cells 579 were quantified by respectively counting the number of TUNEL⁺ or SOX9⁺ cells and the total 580 number of cells in a 0.015mm² region of interest near the graft surface at the centre of the 581 graft. Quantification of cartilage was performed by outlining COL2⁺ or Safranin O⁺ areas 582 within the total callus area (for fractures and grafts) or the central graft callus area (half of

total graft length). Quantification of woven bone was performed by outlining areas of macroscopically-defined immature bone within the total callus area. Quantification of FoxO3a⁺ nuclei was performed using the "Cell/particle counting and scoring" pipeline in CellProfiler, in a region of interest encompassing the total callus area (for fractures) or the central graft callus area (half of total graft length). For all quantifications, measurements were made on at least 3 different sections throughout the sample.

589

590 Computational model of bone graft healing

591 We used a previously established multiscale computational framework of bone regeneration 592 that guantitatively describes the interplay between cells, growth factors, nutrient levels and blood vessels^{10,11}. In short, this multiscale model combines ten partial differential equations of 593 594 the taxis-reaction-diffusion type at the tissue level with a discrete agent-based approach at 595 the vascular level, including eight intracellular variables for the endothelial cells. At the tissue 596 level, the model accounts for the various key processes of intramembranous and 597 endochondral ossification that occur during the soft and hard callus phase of bone healing. 598 The partial differential equations describe the evolution in time and space of the skeletal 599 progenitor cell density, fibroblast density, chondrocyte density, osteoblast density, fibrous 600 matrix density, cartilaginous matrix density, bone matrix density, osteochondrogenic 601 growth factor concentration, vascular growth factor concentration and nutrient 602 concentration. For simplification purposes, only one generic osteochondrogenic growth 603 factor and one nutrient parameter is included in the computational model, which 604 respectively represent the effects of multiple growth factors (for example transforming 605 growth factors, bone morphogenetic proteins, ...) and nutrients (oxygen, glucose, amino 606 acids, lipids, ...) present during bone healing. The assumption is made that the net result of 607 all growth factors present will be to promote chondrogenesis and osteogenesis, and thus if 608 local levels of the osteochondrogenic growth factor reach a certain threshold (modelled using 609 a sixth-order Hill function) it will induce differentiation of skeletal progenitor cells. The 610 decision on whether the end result of this differentiation event is chondrogenic or osteogenic

611 is made by the nutrient parameter. The influence of the generic osteochondrogenic growth 612 factor on skeletal progenitor cell differentiation is promoting chondrogenic differentiation 613 when local nutrient levels are low, and promoting osteogenic differentiation when local 614 nutrient levels are high. Cell types that are considered at the tissue scale (skeletal progenitor 615 cells, chondrocytes, osteoblasts, fibroblasts) can migrate (only skeletal progenitor cells and 616 fibroblasts), proliferate, differentiate and produce growth factors (generic osteochondrogenic 617 growth factor, angiogenic growth factor) and extracellular matrix (cartilage, bone or fibrous 618 tissue). Blood vessels are modelled at both a cellular level (representing the developing 619 vasculature with discrete endothelial cells) and an intracellular level (that defines the internal 620 dynamics of every endothelial cell), and serve as the nutrient source. At the cellular level, the 621 development of the discrete vascular tree (composed of endothelial cells) is determined by 622 three different processes, *i.e.* sprouting (the formation of a new branch, headed by a tip 623 endothelial cell), vascular growth (the extension of the branch due to tip cell migration) and 624 anastomosis (the fusion of two branches). An anastomosis between blood vessels allows for 625 blood flow and the delivery of nutrients. The intracellular level considers a number of 626 molecular players that govern endothelial cell movement (VEGFR2, DLL4, Notch, Actin).

627

628 While the blood vessels are modelled discretely, continuous variables are used for nutrient 629 density, bone density, cartilage density and fibrous tissue density (included in the model but 630 not relevant for the current setup and therefore not shown). The colour scale for nutrients, 631 bone and cartilage thus indicates a continuous gradient going from complete absence of a 632 parameter ("0" value; nutrients, bone or cartilage are not present at that location) to complete 633 saturation of a parameter ("1" value; a location is completely filled with nutrients, bone or cartilage). All values in between "0" and "1" represent partial filling of a location with a 634 parameter. For the "tissue" continuous variables (bone, cartilage, fibrous tissue), the sum of 635 636 all tissues is 1, meaning that if a location is completely filled with bone (value "1"), no 637 cartilage can exist at the same location (value "0"). However, since the variables are 638 continuous, a specific location can contain both a fraction of bone and a fraction of cartilage.

Tissues, nutrients and blood vessels are modelled in separate spaces and can thus "co-exist" in the same location. Since the nutrient parameter is also continuous, it has an independent scale going from no nutrients ("0") to saturating levels of nutrients ("1", which we define as the level of nutrients found "inside" a modelled blood vessel).

643

By adapting the geometry and boundary conditions to the bone graft setup, the influence of a filter placed in between graft and muscle on the healing process can be predicted *in silico*. Detailed information on the equations, parameter values and implementation can be found in Carlier *et al.*¹¹. Information on the boundary and initial conditions used in this study can be found in Extended Data Fig. 3.

649

650 **Isolation of primary cells**

651 Periosteal cells and trabecular osteoblasts were isolated from the long bones of 8-10 week old mice as described¹³. For the isolation of periosteal cells, femurs and tibias were dissected 652 653 free of muscle and connective tissue under sterile conditions. Subsequently, the epiphyses 654 were protected from digestion by submerging them in 5% low melting point agarose 655 (SeaPlague, Lonza) and periosteal cells were isolated by enzymatic digestion using 3mg/ml 656 collagenase II (Gibco) and 4mg/ml dispase (Gibco) in α -minimal essential medium (α -MEM; 657 Gibco) supplemented with 1% penicillin/streptomycin (P/S, 100units/ml and 100µg/ml 658 respectively; Gibco). Cells from the first digest (10 minutes) were discarded as they contain cells from remaining muscle and connective tissue, and periosteal cells were obtained by a 659 660 subsequent 1 hour digest. The cells were passed through a 70µm nylon mesh (BD Falcon), 661 washed twice and cultured in α -MEM with 1% P/S and 10% fetal bovine serum (FBS; 662 HyClone) in a humidified incubator at 37°C with 5% CO₂. For the isolation of trabecular 663 osteoblasts, femurs and tibias were cleaned thoroughly to remove muscle, connective tissue 664 and periosteum. Subsequently, bones were incubated in collagenase-dispase (3mg/ml 665 collagenase II and 4mg/ml dispase in α -MEM with 1% P/S) for 20 minutes to remove 666 remaining periosteal cells. Next, epiphyses were cut away, bone marrow was flushed out and

the bone was cut into small pieces. Trabecular osteoblasts were isolated by incubating the bone fragments with collagenase-dispase for 30 minutes. Cells were passed through a 70 μ m nylon mesh, washed twice and cultured in α -MEM supplemented with 1% P/S and 10% FBS at 37°C with 5% CO₂. Cells of passage 2-3 were used for all experiments.

671

672 Growth plate-derived chondrocytes and calvarial osteoblasts were isolated from 3-5 day old mice as described^{13,20}. For murine growth plate-derived chondrocytes the resting zones of the 673 674 growth plates from the distal femora and proximal tibiae were dissected free from 675 surrounding tissue and pre-digested for 30 minutes with 1 mg/ml collagenase II in α -MEM with 676 1% P/S on a shaker at room temperature. Cartilage fragments were then washed twice and 677 subsequently digested for 3 hours in a 2mg/ml collagenase II solution in α -MEM with 1% P/S 678 on a shaker at 37°C. The cell suspension was then filtered through a 40µm nylon mesh, 679 washed and cultured in α -MEM supplemented with 1% P/S and 10% FBS at 37°C with 5% 680 CO₂. Calvarial osteoblasts were prepared by 6 sequential 15 minute digestions of calvariae 681 from 3-5 day old mice in PBS containing 1mg/ml collagenase II and 2mg/ml dispase. Cells 682 isolated in fractions 2-6 were pooled and cultured in α -MEM supplemented with 1% P/S and 683 10% FBS at 37°C with 5% CO₂. Cells of passage 2-3 were used for all experiments.

684

685 For isolation of rib chondrocytes, anterior rib cages were dissected from 5 day old mice. 686 Isolated rib cages were pre-digested on a shaker for 30 minutes at room temperature with 687 1mg/ml collagenase II (Gibco) dissolved in α -MEM supplemented with 1% P/S. Rib fragments were subsequently digested for 3 hours in a 2mg/ml collagenase II solution in α-688 689 MEM with 1% P/S on a shaker at 37°C. The obtained cell suspension of the second digest 690 was filtered through a 40µm nylon mesh and single cells were recovered by centrifugation. 691 Cells were cultured in a humidified incubator at 37°C with 5% CO₂ in α-MEM supplemented 692 with 1% P/S and 10% FBS. Cells of passage 2-3 were used for all experiments.

693

Isolation of mouse skeletal stem cells was adapted from a previously described protocol¹⁶. 694 695 Long bones of 3-5 day old mice were dissected, muscle was cleared away carefully to 696 preserve the periosteum and bones were minced using a scalpel. Bone fragments were then 697 digested in α-MEM supplemented with 3mg/ml collagenase II, 4mg/ml dispase (both from Gibco) and 100U/ml DNAse I (Sigma) at 37°C for 3 sequential 15 minute digests. Cell 698 699 fractions were pooled and passed through a 70µm nylon mesh, washed with PBS containing 700 2% FBS and stained with antibodies against CD45, Ter119, Tie2, CD105, CD90.2, CD249 701 (also known as 6C3) (BioLegend), CD51 (BD Pharmingen) and CD200 (eBioscience), and 702 with the viability dye 7-aminoactinomycin D (7AAD; BD Pharmingen). Immunophenotypicallydefined skeletal stem cells¹⁶ (7AAD⁻CD45⁻Ter119⁻Tie2⁻CD51⁺CD105⁻CD90.2⁻CD249⁻CD200⁺; 703 704 Extended Data Fig. 9a) were sorted on a BD FACSAria II (BD Biosciences). Single colour 705 controls were used to set compensations and fluorescence minus one controls were used to set gates. Sorted cells were cultured in a humidified incubator at 37°C with 2% O_2 and 7.5% 706 CO₂ in α-MEM supplemented with 1% P/S and 10% FBS. For metabolic analyses, skeletal 707 708 stem cells were grown in atmospheric O_2 levels with 5% CO_2 to allow direct comparison to 709 other cell types. Cells of passage 2-3 were used for all experiments. For flow cytometric 710 analysis of culture-expanded skeletal stem cells, cells were gated again for the CD51⁺CD105⁻ 711 CD90.2 CD249 CD200⁺ population to limit analysis to the stem cell fraction.

712

713 For the isolation of skeletal muscle-derived cell populations, hindlimb skeletal muscles, 714 including quadriceps, soleus, gastrocnemius and tibialis anterior, were dissected from 8-715 week old CAG-DsRed mice, minced using a scalpel and digested in α -MEM medium 716 supplemented with 3mg/ml collagenase II, 4mg/ml dispase and 100U/ml DNAse I at 37°C for 717 60 minutes. Every 15 minutes samples were pipetted up and down vigorously using a 10ml 718 serological pipette to break up tissue fragments. Cell suspensions were passed through a 719 70µm nylon mesh, washed with PBS containing 2% FBS and stained with antibodies against 720 CD45, Ter119, CD31, F4/80 and CD146 (BioLegend), and with 7AAD (BD Pharmingen). 721 Immunophenotypically-defined macrophages (7AAD CD45⁺F4/80⁺), endothelial cells (7AAD

722 CD45⁻Ter119⁻F4/80⁻CD31⁺CD146⁺) and pericytes (7AAD⁻CD45⁻Ter119⁻F4/80⁻CD31⁻CD146⁺)

723 (Extended Data Fig. 9b) were sorted on a BD FACSAria II. Single colour controls were used

to set compensations and fluorescence minus one controls were used to set gates. Sorted
 cells were used for co-cultures with periosteal cells in micromasses.

726

727 Cell lines

The C3H10T1/2 cell line, used as a skeletal progenitor cell model¹², was obtained from the RIKEN Cell Bank and cultured in a humidified incubator at 37°C with 5% CO₂ in α -MEM with 1% P/S and 10% FBS.

731

732 Nutrient deprivation assays

733 Cells were seeded at 3,000 cells/cm² in basal Dulbecco's Modified Eagle's Medium (DMEM; glucose- and glutamine-free; Gibco) supplemented with 1% P/S, 5mM D-(+)-glucose (Sigma-734 735 Aldrich), 2mM L-glutamine (Gibco), 1mM sodium pyruvate (Gibco) and 10% dialyzed FBS 736 (HyClone). After 24 hours, cells were washed with PBS and switched to control medium 737 (basal DMEM with 1% P/S, 5mM glucose, 2mM L-glutamine, 1mM sodium pyruvate and 10% 738 dialyzed FBS), SD medium (basal DMEM with 1% P/S, 5mM glucose, 2mM L-glutamine, 739 1mM sodium pyruvate and 1% dialyzed FBS), glucose deprivation medium (basal DMEM 740 with 1% P/S, 0.5mM glucose, 2mM L-glutamine, 1mM sodium pyruvate and 10% dialyzed 741 FBS), glutamine deprivation medium (basal DMEM with 1% P/S, 5mM glucose, 0.2mM Lglutamine, 1mM sodium pyruvate and 10% dialyzed FBS), CND medium (basal DMEM with 742 743 1% P/S, 0.5mM glucose, 0.2mM L-glutamine, 1mM sodium pyruvate and 1% dialyzed FBS) 744 or LRS medium (basal DMEM with 1% P/S, 5mM glucose, 2mM L-glutamine, 1mM sodium 745 pyruvate and 10% lipid-reduced FBS). LRS was made by mixing FBS with fumed silica 746 (Sigma) at 20mg/ml for 3 hours at room temperature, followed by centrifugation at 2,000xg 747 for 15 minutes and filtration of the supernatant through a 0.45µm pore size filter.

748

749 In certain experiments cultures were supplied with actinomycin D (transcription inhibitor; 750 Sigma-Aldrich), cycloheximide (translation inhibitor; Sigma-Aldrich), chloroquine (lysosomal 751 inhibitor; Sigma-Aldrich) or etomoxir (CPT1 inhibitor; Merck-Millipore) at the concentrations 752 indicated in the text. For lipid rescue experiments, SD medium was supplemented with very low density lipoproteins (VLDL; Calbiochem) at a concentration of 607µg triglycerides/ml 753 754 FBS, palmitic or oleic acid (Sigma-Aldrich) at the indicated concentrations or a mixture of poly-unsaturated fatty acids (PUFA; 10μM linoleic, 15μM α-linolenic, 10μM arachidonic and 755 756 15µM docosahexaenoic acid; all from Sigma-Aldrich). Triglycerides were incubated in FBS 757 for 30 minutes at 37°C and fatty acids (dissolved in ethanol) were complexed to fatty acid-758 free bovine serum albumin (BSA) (Sigma-Aldrich) for 1 hour at 37°C before adding to the culture medium, as described previously⁴⁵. All supplements were added at the start of the 759 760 experiment and were present for the entire duration of the cultures.

761

762 **Differentiation assays**

763 To assess chondrogenic differentiation, 150,000 periosteal cells were resuspended in 10µl of 764 control medium and seeded as micromasses in the middle of a 24-well plate. Cells were 765 allowed to attach for 1 hour at 37°C, after which 0.5ml of control, SD or LRS medium 766 containing 10ng/ml recombinant human transforming growth factor-ß1 (Peprotech), 50µM L-767 ascorbic acid 2-sulphate (Sigma-Aldrich) and 20µM Y-27632 (Rho kinase inhibitor; Axon Medchem)⁴⁶ was added to the wells. Medium was refreshed every other day and after 9 days 768 micromasses were either stained with Alcian Blue or used for RNA isolation. For 769 770 chondrogenic differentiation in the presence of muscle-derived cells micromasses were made 771 using 100.000 periosteal cells derived from Sox9-GFP mice and 50,000 skeletal muscle-772 derived macrophages, endothelial cells, pericytes or unsorted cells obtained from CAG-773 DsRed mice.

For chondrogenic differentiation in pellets 200,000 periosteal cells were placed in a 5ml polystyrene tube in 1ml of control, SD or LRS medium containing 10ng/ml recombinant human transforming growth factor- β 1 (Peprotech) and 50 μ M L-ascorbic acid 2-sulphate

(Sigma-Aldrich), supplemented with vehicle (1% ethanol in 4% fatty acid-free BSA in saline),
60µM oleate or a mixture of poly-unsaturated fatty acids (10µM linoleic, 15µM α-linolenic,
10µM arachidonic and 15µM docosahexaenoic acid) complexed to fatty acid-free BSA.
Tubes were centrifuged for 5 minutes at 500xg and placed in a humidified incubator at 37°C.
Medium was changed every 3 days and after 21 days pellets were fixed in 4%
paraformaldehyde for 10 minutes and processed for paraffine histological sectioning.

For osteogenic differentiation, periosteal cells were seeded cells at 30,000 cells/cm² in control medium and cultured for 3 days in order to reach full confluence. Cells were then switched to control, SD or LRS medium containing 50 μ M L-ascorbic acid 2-sulphate and 10mM β-glycerophosphate (Sigma-Aldrich). After 21 days, cells were either stained with Alizarin Red S to detect mineralization or used for RNA isolation.

788

789 Metatarsal cultures

790 Metatarsal rudiments were dissected from E16.5 Col1a1-cre/ERT2,-DsRed embryos and 791 stripped of skin. The middle three metatarsals were kept together as triads and cultured for 7 792 days on a Falcon insert membrane (pore size 0.4µm) in 12-well plates in 1ml of BGJb culture 793 medium (Gibco) supplemented with $25\mu g/ml$ ascorbic acid, $10mM \beta$ -glycerophosphate, and FBS (10% or 1%)⁴⁰. When indicated a mixture of poly-unsaturated fatty acids (10µM linoleic, 794 795 15 μ M α -linolenic, 10 μ M arachidonic and 15 μ M docosahexaenoic acid) complexed to fatty 796 acid-free BSA or vehicle (1% ethanol in 4% fatty acid-free BSA in saline) was added to the 797 culture medium. At the end of the cultures the metatarsals were fixed overnight in 2% 798 paraformaldehyde in PBS and processed for (immuno)histochemistry.

799

800 Flow cytometry

Cell death was detected using Annexin V-FITC and propidium iodide (Dead Cell Apoptosis
Kit; Invitrogen), or using active Caspase 3-FITC (FITC Active Caspase-3 Apoptosis Kit; BD
Pharmingen). Proliferation was assessed by staining with a PE-conjugated mouse anti-Ki-67
antibody (BD Pharmingen; #556027; 1/10) and Hoechst 33342 (40µg/ml; Invitrogen) after

fixation and permeabilization of the cells (BD Cytofix/Cytoperm Kit, BD Biosciences). Intracellular SOX9 levels were quantified by staining with an AlexaFluor 647-conjugated rabbit anti-SOX9 antibody (Cell Signaling Technology; #71273; 1/100) after fixation and permeabilization of the cells. Gating for SOX9^{high} cells was set to have approximately 10% SOX9^{high} cells in control conditions. Single colour controls were used to set compensations and fluorescence minus one controls were used to set gates.

811

812 (Immuno)cytochemistry

813 For immunofluorescence microscopy, cells grown on coverslips were fixed with 4% 814 paraformaldehyde, permeabilized with 0.5% Triton-X100 in PBS and blocked with PBS 815 containing 5% BSA, 5% normal goat serum and 0.5% Tween-20. Next, cells were incubated 816 overnight at 4°C with primary antibodies (rabbit-anti-FoxO1, Cell Signaling Technology, #2880, 1/100; rabbit-anti-FoxO3a, Cell Signaling Technology, #2497, 1/100) in blocking 817 818 buffer, followed by three washes with PBS/Tween-20. Slides were subsequently incubated 819 for 2 hours with secondary antibodies (AlexaFluor 488- conjugated goat-anti-rabbit; 1/500) in PBS containing 5% BSA and 0.5% Tween-20, washed and counterstained with 820 821 Hoechst33342. Stainings omitting the primary antibody were used as negative controls.

822

For staining of lipid droplets with 1,6-diphenyl-1,3,5-hexatriene (DPH), cells grown on coverslips were washed with PBS and fixed with 3.7% formaldehyde in PBS. DPH staining solution was prepared by diluting a 2mM DPH (Sigma-Aldrich) stock (in DMSO) in PBS to a final concentration of 4 μ M as previously described⁴⁷. Cells were stained with DPH for 30 minutes, washed and nuclei were counterstained using TO-PRO-3 (Molecular Probes).

828

For tracking lipid movement between LDs and mitochondria, cells were incubated with the fluorescent fatty acid analog BODIPY 558/568 C12 (Red-C12; Invitrogen) at 1 μ M in culture medium for 16 hours²⁴. Cells were then washed three times with culture medium, incubated for 1 hour in culture medium in order to allow the fluorescent lipids to incorporate into LDs,

and then chased for the time indicated in control or SD medium. Mitochondria were labelled
with 100nM MitoTracker Deep Red FM (Invitrogen) for 30 minutes before the end of the
experiment. Cells were fixed and LDs were stained with DPH as described above.

836

For measurement of autophagic flux, cells grown on coverslips were transfected with 1µg of an RFP-GFP-LC3 tandem construct⁴⁸ using the X-tremeGENE HP transfection reagent (Roche) according to the manufacturer's instructions. After 24 hours cells were washed with PBS and used for subsequent experiments. Since the GFP-LC3 loses fluorescence due to lysosomal acidic and degradative conditions but the RFP-LC3 does not, autophagosomes in the cell are seen as green/yellow puncta while autophagolysosomes are red.

843

Images were taken on a Zeiss LSM510-META NLO multi-photon confocal microscope or Zeiss LSM880 confocal laser scanning microscope, and prepared using Adobe Photoshop CS5 (Adobe Systems) and ImageJ. LC3 puncta and DPH⁺ lipid droplets per cell were counted manually in ImageJ, while overlap between MitoTracker and Red-C12 in manually delineated cells was performed using the 'co-localization' plugin for ImageJ after thresholding of individual frames.

850

851 Western Blot analysis

852 Total cell lysates were obtained by lysing cells in 25mM Tris-HCI buffer (pH 7.6) containing 853 150mM NaCl, 1% NP-40, 1% sodium deoxycholate, 0.1% SDS, 1x cOmplete protease 854 inhibitor cocktail (Roche) and 1x PhosSTOP phosphatase inhibitor cocktail (Roche). For 855 cytoplasmic and nuclear extracts, cells were first lysed in 20mM Hepes (pH 7.9) containing 856 10mM KCI, 1.5mM MgCl₂, 1mM EDTA, 0.5% NP40, 1mM DTT, 1mM Na₃VO₄, 20mM NaF, 857 1mM PMSF, 5µg/ml aprotinine, 5µg/ml leupeptin and 0.33µg/ml antipain. Following 15 858 minutes incubation at 4°C, the cell lysates were passed 10 times through a 26 gauge needle. 859 After centrifugation for 1 minute at 18,000g, the supernatant (cytoplasmic proteins) was 860 removed and the pellet containing the nuclear protein fraction was resuspended in 50mM

861 Hepes (pH 7.9) containing 500mM NaCl, 1% NP40, 5µg/ml aprotinine, 5µg/ml leupeptin and 0.33µg/ml antipain, and sonicated. Proteins (10µg, except for detection of LC3 for which 862 863 20µg was used) were separated by SDS-PAGE and transferred to a nitrocellulose membrane 864 (GE Healthcare). Membranes were blocked with 5% dry milk in Tris-buffered saline with 0.1% 865 Tween-20 for 30 minutes at room temperature and incubated overnight at 4°C with primary 866 antibodies (rabbit-anti-SOX9, Novus Biologicals, NBP1-85551, 1/2,000; rabbit-anti-FoxO1, 867 Cell Signaling Technology, #2880, 1/1,000; rabbit-anti-FoxO3a, Cell Signaling Technology, 868 #2497, 1/1,000; rabbit-anti-LC3B, Cell Signaling Technology, #3868, 1/500; mouse-anti-β-869 actin, Sigma, A5441, 1/10,000; mouse-anti-Lamin A/C, Santa Cruz Biotechnology, sc-870 376248, 1/5,000) diluted in blocking buffer. Signals were detected by enhanced 871 chemiluminescence (Perkin Elmer) after incubation with HRP-conjugated secondary 872 antibodies (DAKO). For gel source data, see Supplementary Figure 1.

873

874 Metabolic assays

875 Glucose and lactate levels in culture medium were measured on a AU640 Chemistry 876 Analyzer (Beckman Coulter). Glucose consumption was calculated by subtracting the 877 remaining amount of glucose in the culture medium after 24 hours of incubation with cells 878 from the amount of glucose in unspent medium, and normalized for time and for cell number 879 via DNA quantification. In a similar way, lactate secretion was calculated by subtracting 880 lactate levels in unspent medium from the levels in medium incubated for 24 hours with cells. 881 Oxygen consumption was determined on a Seahorse XF24 Analyzer (Seahorse Bioscience) 882 using 50,000 cells/well. The assay medium was unbuffered DMEM (Sigma) supplemented 883 with 5mM D-glucose and 2mM L-glutamine, pH 7.4. For guantification of FAO-linked oxygen 884 consumption the difference in OCR before and after injection of etomoxir (100µM final concentration) was calculated²². 885

For measurement of glycolysis, cells were incubated for 6 hours in growth medium containing 0.3 μ Ci/ml [5-³H]-D-glucose (PerkinElmer). The culture medium was then transferred into glass vials sealed with rubber caps. ³H₂O was captured in hanging wells containing a

889 Whatman paper soaked with H_2O over a period of 48 hours at 37°C to reach saturation⁴⁹. 890 Radioactivity was determined in the paper by liquid scintillation counting and values were 891 normalized to DNA content.

For glucose oxidation, cells were incubated for 6 hours in growth medium containing 0.6 μ Ci/ml [6-¹⁴C]-D-glucose (PerkinElmer). To stop cellular metabolism, 250 μ l of a 2M perchloric acid solution was added and wells were covered with a Whatman paper soaked with 1x hyamine hydroxide. ¹⁴CO₂ released during the oxidation of glucose was absorbed into the paper overnight at room temperature. Radioactivity in the paper was determined by liquid scintillation counting, and values were normalized to DNA content⁴⁹.

Fatty acid oxidation was measured after incubation of the cells with 3μ Ci/ml [9,10- 3 H]palmitate (PerkinElmer), complexed to BSA, for 2 hours. Then, the culture medium was transferred into glass vials sealed with rubber caps. 3 H₂O was captured in hanging wells containing a Whatman paper soaked with H₂O over a period of 48 hours at 37°C. Radioactivity in the paper was determined by liquid scintillation counting, and values were normalized to DNA content⁴⁹.

904

905 Metabolite diffusion assay

906 Diffusion rates were measured in custom-designed diffusion chambers according to a previously established protocol⁵⁰. Chambers were fabricated in a polydimethylsiloxane 907 908 (PDMS) device on a glass substrate with medium reservoirs that contained fluorescent tracer 909 molecules. 2-NBDG (342 Da) and BODIPY FL C16 (FL-C16; Invitrogen) complexed to fatty 910 acid-free BSA (66.5 kDa) were used as fluorescent analogues to evaluate the diffusion rates 911 of glucose and fatty acids, respectively, in separate runs. Tracer movement was assessed in 912 square borosilicate glass capillaries with an inner width of 0.8mm and wall thickness of 913 0.16mm (VitroCom). Collagen type I gels (5mg/ml) containing periosteal cells (5 million/ml) 914 were polymerized within the capillaries, after which the capillaries were connected to the 915 PDMS reservoirs which initiated the diffusion process resulting from a concentration gradient 916 between the tracer saturated medium reservoir (250µM 2-NBDG or 25µM FL-C16 complexed

917 to 25µM BSA) and the tracer-free capillary. Tracer gradients within the capillaries were imaged on a confocal fluorescence laser scanning microscope (FV1000, Olympus) equipped 918 919 with a UPLSAPO 10x air objective (NA: 0.40) focused on the middle plane of the collagen 920 gel. Focus drift was compensated using an IX81-ZDC module that focuses a 785nm laser on 921 the glass capillary surface to stably reproduce the focus position for each capillary position 922 and for every acquisition time point. Images were acquired as a time series with 10 minutes 923 intervals over a total period of 5 hours, at 37°C. Tracer-free collagen gels were visualized to 924 correct the image sequences for any background fluorescence intensity. A tracer saturated 925 collagen gel was visualized during each diffusion experiment to compensate for potential 926 photobleaching of tracer and to normalize the gradient profiles for further processing. Image 927 sequences were processed in ImageJ. Diffusion rates were obtained by least squares fitting 928 an analytical solution of Fick's second diffusion law to the resulting averaged axial intensity 929 profiles in MATLAB (MathWorks)⁵⁰.

930

931 Gene targeting

932 To silence SOX9, CPT1a, ATG5 or FoxO1/3a we transduced cells, in the presence of 8µg/ml 933 polybrene (Sigma-Aldrich), with a lentivirus carrying a shRNA against SOX9 (Addgene plasmid repository #40645⁵¹; MOI 50), CPT1a (MISSION, Sigma-Aldrich; MOI 25) or ATG5 934 935 (MISSION, Sigma-Aldrich; MOI 25), or concomitantly with shRNAs against FoxO1 and 936 FoxO3a (MISSION, Sigma-Aldrich; each at MOI 25). To overexpress SOX9 we transduced 937 cells, in the presence of 8µg/ml polybrene, with a lentivirus carrying a SOX9-overexpression plasmid (Addgene plasmid repository #36979⁵¹; MOI 150). A nonsense scrambled (SCR) 938 939 shRNA sequence or empty vector was used as a negative control. After 24 hours, virus-940 containing medium was changed to normal culture medium and 48 hours later cells were 941 used for further experiments. Target knockdown was confirmed by Western Blot.

To silence FoxOs using CRISPR/Cas9, we transduced Cas9-expressing C3H10T1/2 cells (Cas9: Addgene plasmid repository #48139⁵²), with a lentivirus carrying doxycycline-inducible sgRNAs against *Foxo1* (Genbank accession number NM_019739) (5'-

TTGTAAAGGTGTCTTCACGGGGG-3') and *Foxo3a* (Genbank accession number
NM_019740) (5'-CATTCTGAACGCGCATGAAGCGG-3') (doxycycline-inducible plasmid:
Addgene plasmid repository #70183⁵³). Cells were cultured in the presence of doxycycline
(250ng/ml) for 72 hours prior to experiments.

949

950 Quantification of active FoxO levels

Levels of active FoxO were measured using the TransAM FKHR (FoxO1) DNA-binding ELISA (Active Motif) on nuclear protein extracts, and normalized to total nuclear protein input as measured by bicinchoninic acid assay (Pierce BCA Protein Assay Kit; Thermo Scientific).

954

955 Total RNA extraction and qRT-PCR analysis

956 Total RNA from cultured cells was extracted using the RNeasy Mini Kit (Qiagen). Total RNA 957 from cortical bone (femurs of 8 week old mice, cleaned and flushed to remove bone marrow) 958 and cartilage (growth plates dissected from the distal femur and proximal tibia of 3 day old 959 pups) was extracted using TRIzol (Invitrogen) followed by RNA clean-up using the RNeasy Mini Kit. mRNA was reverse transcribed using Superscript II Reverse Transcriptase 960 961 (Invitrogen). gRT-PCR was performed on the 7500 Fast Real-Time PCR System (Applied 962 Biosystems). Specific forward and reverse oligonucleotide primers were used either in 963 conjunction with SYBR Green dye (Cpt1a, Acadm, Acadl, MyoD) or with FAM-TAMRA 964 conjugated probes (all others). The following primers and probes were used: Sox9 (Genbank 965 accession number NM_011448): 5'-TCTGGAGGCTGCTGAACGA-3' (forward), 5'-TCCGTTCTTCACCGACTTCCT-3' 5'-FAM-CAGCACAAGAAAGACCACCC-966 (reverse), 967 TAMRA-3' (probe); Col2a1 (Genbank number NM 031163): 5'accession 968 AGAACATCACCTACCACTGTAAGAACA-3' (forward), 5'-TGACGGTCTTGCCCCACTT-3' 969 (reverse), 5'-FAM-CCTTGCTCATCCAGGGCTCCAATG-TAMRA-3' (probe); Acan (Genbank 970 accession number NM 001361500): 5'-GCATGAGAGAGGCGAATGGA-3' (forward), 5'-971 CTGATCTCGTAGCGATCTTTCTTCT-3' (reverse), 5'-FAM-972 CTGCAATTACCAGCTGCCCTTCACGT-TAMRA-3' (probe); Runx2 (Genbank accession

973 number NM 001146038): 5'-TACCAGCCACCGAGACCAA-3' 5'-(forward), AGAGGCTGTTTGACGCCATAG-3' 5'-FAM-974 (reverse), 975 CTTGTGCCCTCTGTTGTAAATACTGCTTGCA-TAMRA-3' (probe); Ocn (Genbank accession number NM 007541): 5'-GGCCCTGAGTCTGACAAAGC-3' (forward), 5'-976 977 GCTCGTCACAAGCAGGGTTAA-3' (reverse), 5'-FAM-978 ACAGACTCCGGCGCTACCTTGGAGC-TAMRA-3' (probe); Pparg (Genbank accession NM 001127330): 5'- CCCAATGGTTGCTGATTACAAA-3' 979 number (forward), 5'-AATAATAAGGTGGAGATGCAGGTTCT-3' 980 (reverse), 5'-FAM-CTGAAGCTCCAAGAATACCAAAGTGCGATC-TAMRA-3' 981 (probe); MvoD (Genbank accession number NM 010866): 5'-GCGCGAGTCCAGGCCAGG-3' (forward), 5'-982 CGACTCTGGTGGTGCATCTGC-3' (reverse); Slc2a1 (Genbank accession number 983 5'-GGGCATGTGCTTCCAGTATGT-3' 984 NM 011400): (forward), 5'-ACGAGGAGCACCGTGAAGAT-3' (reverse), 5'-FAM-CAACTGTGCGGCCCCTACGTCTTC-985 986 TAMRA-3' (probe); Pfkfb3 (Genbank accession number NM 001177757): 987 Mm.PT.51.16600796 (Integrated DNA Technologies); Ldha (Genbank accession number NM 010699): 5'-TTCATCATTCCCAACATTGTCAA-3' 5'-988 (forward), 989 CACTGATTTTCCAAGCCACGTA-3' (reverse), 5'-FAM-990 AGTCCACACTGCAAGCTGCTGATCGTC-TAMRA-3' (probe); Cpt1a (Genbank accession NM_013495): 5'-GCCCATGTTGTACAGCTTCC-3' 5'-991 number (forward), 992 TTGGAAGTCTCCCTCCTTCA-3' (reverse); Acadm (Genbank accession number 5'-993 NM 007382): 5'-TTTCGAAGACGTCAGAGTGC-3' (forward), TGCGACTGTAGGTCTGGTTC-3' (reverse); Acadl (Genbank 994 accession number 995 NM 007381): 5'-TCTTTTCCTCGGAGCATGACA-3' (forward), 5'-996 GACCTCTCTACTCACTTCTCCAG-3' (reverse). Expression levels were analysed using the $2^{-\Delta\Delta Ct}$ method and were normalized for the expression of the housekeeping gene β -actin. 997 998

999 mRNA sequencing, gene expression quantification and enrichment analysis of
 1000 transcription binding motifs

Briefly, total RNA was extracted from C3H10T1/2 cells seeded in 6-well plates using TRIzol. 1001 1002 Poly-adenylated RNA enrichment, reverse transcription and stranded library preparation 1003 were done using the KAPA stranded mRNA-seg kit (Roche). The first 50 bases of these 1004 libraries were sequenced on a HiSeq4000 (Illumina) and mapped to the murine genome (build mm10) using TopHat version 2.1.1⁵⁴. Read counts were processed using EdgeR 1005 version 3.20.9⁵⁵ to identify genes differentially expressed between cells that were serum-1006 starved (1% FBS) and cells that were control-treated (10% FBS). The top 100 most 1007 significantly upregulated genes upon serum starvation (at a 1% false discovery rate, 1008 1009 differential expression in EdgeR is assessed for each gene using an exact test analogous to Fisher's exact test, but adapted for overdispersed data⁵⁵) were analysed for motif enrichment 1010 using i-cisTarget²⁶. 1011

1012

1013 Single cell RNA sequencing of mouse long bone

1014 The single cell RNA sequencing dataset of the mouse long bone and bone marrow stroma 1015 was generated previously and detailed information on cell isolation, cell sorting, library preparation, RNA sequencing and data processing is provided in the original manuscript²¹. A 1016 1017 set of 40 genes involved in FAO and 34 genes involved in glycolysis was curated from the 1018 Gene Ontology database (http://software.broadinstitute.org/gsea/msigdb) and the Kyoto Encyclopedia of Genes and Genomes (KEGG) database (http://www.genome.jp/kegg). Gene 1019 1020 expression was calculated as the fraction of its unique molecular identifier (UMI; random barcode) count with respect to total UMI in the cell and then multiplied by 10,000. We 1021 1022 denoted it as transcripts per 10K transcripts (TP10K).

1023

1024 Chromatin immunoprecipitation-quantitative PCR (ChIP-qPCR)

1025 ChIP-qPCR was performed as described before⁵⁶. Briefly, 3 hours after serum deprivation, 1026 C3H10T1/2 cells were fixed using 1% formaldehyde, washed and collected by centrifugation 1027 (1,000xg for 5 minutes at 4°C). The pellet was resuspended in RIPA buffer (50mM Tris-HCI 1028 pH 8, 150mM NaCl, 2mM EDTA, 1% Triton-X100, 0.5% sodium deoxycholate, 1% SDS, 1%

1029 protease inhibitors), homogenized, incubated on ice for 10 minutes and sonicated. The 1030 samples were centrifuged (16,000xg for 10 minutes at 4°C) and from the supernatant shared 1031 chromatin was used as input, and on the remainder of the chromatin immunoprecipitation was performed with an anti-FoxO1 antibody (rabbit-anti-FoxO1, Abcam, ab39670) or an anti-1032 FoxO3a antibody (rabbit-anti-FoxO3a, Abcam, ab12162). After precipitation using Pierce 1033 1034 Protein A/G Magnetic Beads (Thermo Fisher Scientific), followed by RNA and protein digestion, DNA was purified using Agencourt AMPure XP (Beckman Coulter) according to 1035 the manufacturer's instructions. qRT-PCR was performed using SYBR GreenER qPCR 1036 1037 SuperMix Universal (Thermo Fisher Scientific) and specific primers for the Sox9 promoter 1038 region (5'-TGTGGGCATATTGGCTTCT-3' (forward), 5'-GGTTAAACTGGGAAGACTCATGG-1039 3' (reverse)).

1040

1041 Statistical analysis

1042 All numerical results are reported as mean ± standard error of the mean (s.e.m.). Statistical 1043 significance of the difference between experimental groups was analysed by two-tailed 1044 Student's t-test, one-way, two-way or three-way ANOVA with Bonferroni post-hoc test (as indicated in the figure legends and source data files) using the GraphPad Prism software. 1045 Differences were considered statistically significant for P < 0.05. In the studies performed in 1046 1047 cell lines in culture, all experiments were independently repeated at least three times. 1048 Experiments using primary cells were performed with at least three biological replicates. 1049 Western Blots were independently repeated at least twice. Mice for experiments were 1050 randomly allocated to groups. All numerical values used for graphs and detailed statistical 1051 analysis can be found in the source data files.

1052

1053 Data availability

1054 The bulk mRNA sequencing data that support the findings of this study have been deposited 1055 in ArrayExpress with the accession number E-MTAB-7564 1056 (http://www.ebi.ac.uk/arrayexpress/experiments/E-MTAB-7564). The single cell RNA

sequencing data were generated previously²¹ and are deposited in GEO (GSE128423, https://www.ncbi.nlm.nih.gov/geo/query/acc.cgi?acc=GSE128423). A portal for exploring the entire atlas is available (https://portals.broadinstitute.org/single_cell/study/mouse-bonemarrow-stroma-in-homeostasis). All other data supporting the findings of this study are available within the paper.

1062

1063 Code availability

1064 The full code used for the computational model of bone graft healing is available from the 1065 authors upon request. More background information on the development of the model can be 1066 found in our previous publications^{10,11}.

1067

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1121

1122 Acknowledgements

1123 We thank K. Moermans, I. Stockmans, C. MacGillivray and H. Soled for technical assistance, A. Nagy for the CAG-EGFP mice, S. Murakami for the Col1a1-cre/ERT2,-DsRed mice, T. 1124 Yoshimori for the RFP-GFP-LC3 plasmid, R. A. Weinberg for the pLKO.1-sh-mSOX9-5 1125 lentiviral plasmid, M. Mazzone for hypoxic glove box use, the histology core of the Harvard 1126 Department of Stem Cell and Regenerative Biology for histology services, the FACS cores of 1127 1128 the KU Leuven and the Harvard Department of Stem Cell and Regenerative Biology for 1129 access to the flow cytometers, and the Cell Imaging Core and the Molecular Imaging and 1130 Photonics division of the KU Leuven and the Harvard Center for Biological Imaging for access to the confocal microscopes. This work was supported by grants from the Research 1131 1132 Fund Flanders (FWO; G.096414, G0A4216N and G0B3418N; KUL grant C24/17/07: G.C.), grants from the European Research Council (ERC 308223; H.V.O., ERC 279100; L.G. and 1133 ERC 269073; P.C.), and long-term structural Methusalem funding by the Flemish 1134 1135 Government (P.C.). N.v.G. is funded by BOF-KU Leuven GOA project 3M120209. P.J.S. is a 1136 fellow from the Agency for Innovation by Science and Technology in Flanders (IWT). S.S., A.C. and De.L. are postdoctoral fellows of the FWO. V.W.D. is a fellow of the FWO and the 1137

Flemish League against Cancer (VLK). This work is part of Prometheus, the KU Leuven R&DDivision of Skeletal Tissue Engineering.

1140

1141 Author contributions

1142 N.v.G. and G.C. conceived the study. N.v.G., S.St., G.E., S.Sc, P.J.S., De.L., S.T. and A.S. performed the in vitro experiments. N.v.G. performed the in vivo experiments. A.C. performed 1143 1144 the in silico experiments. V.W.D. and J.V.S. contributed to the design and execution (V.W.D.) 1145 of lipid rescue experiments. N.B. and D.P. performed and analysed the single cell RNA sequencing experiment. M.D. and F.M. contributed to the design and execution (M.D.) of 1146 1147 microCT analyses. R.V.L. and A.S. performed histology. P.A. contributed to the design and 1148 interpretation of autophagy experiments. N.v.G., A.C., L.G. and H.V.O. contributed to the 1149 design and interpretation of *in silico* experiments. Di.L. and B.T. contributed to the design, 1150 execution and interpretation of mRNA sequencing experiments. P.C. contributed to the design and interpretation of metabolic analyses. D.T.S. contributed to the design and 1151 interpretation of in vivo experiments. P.A., J.V.S., P.C. and D.T.S. provided reagents. N.v.G., 1152 S.St. and G.C. designed the experiments and interpreted data. N.v.G. and G.C. wrote the 1153 1154 manuscript. All authors agreed on the final version of the manuscript.

1155

1156 Supplementary information

1157 Supplementary Figure 1

1158 Uncropped gel images for results obtained by gel-based electrophoretic separation

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1162

1163 **Competing interests**

1164 The authors declare no competing interests.

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1166 Extended Data figure legends

1167 Extended Data Figure 1: Removal of periosteum reduces bone formation and callus 1168 vascularization

1169 (a) Histological characterization of the murine bone autograft healing model. At the host-graft junction cartilage (Safranin O⁺) is formed at PFD7. Note absence of CD31⁺ blood vessels in 1170 1171 these regions. Near the graft centre new woven bone (bright pink on H&E staining) is 1172 deposited, cartilage is absent and blood vessels are abundant. By PFD14, the cartilage at 1173 the host-graft junction is gradually being replaced by bone, while the woven bone near the 1174 graft centre appears mature (representative images of 4 mice). Scale bars, 200µm in host-1175 graft junction images, 100µm in graft centre images, 50µm in magnifications. (b) MicroCT-1176 based visualization and guantification of newly formed bone around control autografts, 1177 autografts from which the periosteum was removed or devitalized allografts (no living cells) at 1178 PFD28 (n=3 mice). Coverage ratio represents percentage of graft surface covered by new bone. (c) Dual energy microCT-based visualization and quantification of vascularization in a 1179 250µm-wide region around autografts and allografts at PFD14 (n=5 mice for autograft, n=6 1180 1181 mice for devitalized allograft). (d) CD31 immunohistochemical visualization and quantification 1182 of vascularization in a 250µm-wide region around autografts and allografts at PFD14 (n=3 1183 mice). Scale bars, 500µm. b: bone, c: cartilage, ft: fibrous tissue, g: graft, h: host, m: muscle, 1184 p: periosteum. Mean ± s.e.m. One-way ANOVA with Bonferroni post-hoc test (b), two-tailed 1185 Student's t-test (**c**.**d**).

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1187 Extended Data Figure 2: Reducing vascularization alters but does not prevent bone 1188 healing

(a) Histological visualization and quantification of apoptotic cells (TUNEL⁺; n=4 mice for control, n=5 mice for filter 0.2) in the callus of grafts with or without a filter (0.2µm pore size) at PFD7. Scale bars, 50µm. (b) Histological visualization and quantification of proliferating (BrdU⁺; n=3 mice) cells in the callus of grafts with or without a filter (0.2µm pore size) at

1193 PFD7. Scale bars, 100µm. (c) MicroCT-based visualization and quantification of newly 1194 formed bone around control grafts or grafts surrounded by a filter (0.2µm pore size) at PFD14 1195 (n=4 mice for control, n=6 mice for filter 0.2). Coverage ratio represents percentage of graft surface covered by new bone. (d) Cell tracing of donor periosteal cells during healing of bone 1196 grafts, derived from CAG-EGFP mice, with or without filter (0.2µm pore size) at PFD14 1197 1198 showing equal contribution of donor cells to cartilage in both conditions, but reduced contribution of donor cells to bone near the graft ends (arrows: GFP⁺ osteoblasts, 1199 arrowheads: GFP⁺ osteocytes, representative images of 3 mice). Scale bars, 50µm. (e) 1200 MicroCT-based visualization and quantification of newly formed bone around control grafts or 1201 grafts surrounded by a filter (0.2µm pore size) at PFD28 (n=3 mice). (f) Histological analysis 1202 1203 of autografts with or without a filter (0.2µm pore size) at PFD28 showing comparable callus 1204 morphology and composition, although remaining cartilage islands (detail image) were seen 1205 when a filter was present but not in the callus of control grafts (representative images of 3 1206 mice). Scale bars, 500µm. b: bone, c: cartilage, f: filter, g: graft, h: host, m: muscle, pc: 1207 periosteal callus. Mean ± s.e.m. Two-tailed Student's t-test.

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1209 Extended Data Figure 3: In silico modelling supports a role for nutritional stress in 1210 chondrogenic commitment

Application of a previously described computational model of bone repair^{10,11} to the bone 1211 graft healing setup. In this model the behaviour (survival, proliferation, differentiation and 1212 1213 tissue formation) of skeletal progenitor cells, chondrocytes, osteoblasts and fibroblasts is 1214 dependent on the local supply of nutrients by blood vessels, in addition to the presence of 1215 growth factors, extracellular matrix and the cell density. (a) Schematic overview (top) of the 1216 modelled region shown in green. The hatched area represents the graft callus. At the start of 1217 the simulation the modelled region was filled with loose fibrous tissue matrix, growth factors, stem cells, osteoblasts, fibroblasts and nutrients, representing the fracture haematoma. 1218 Overview of the Dirichlet boundary conditions (bottom) showing the starting points of blood 1219 1220 vessels and the sites of release of cells and growth factors (and nutrients for the condition

with filter) during the healing process. (b) Application of the model to the normal bone graft 1221 1222 (*i.e.* blood vessels can come from the muscle side). Heat map-based visualization of blood 1223 vessel, nutrient, cartilage and bone distribution in the modelled region at different time points 1224 shows that the model correctly predicts the spatiotemporal progression of the bone healing 1225 process. Nutrients and tissue fractions are expressed on a non-dimensional scale ranging 1226 from 0 (absence) to 1 (saturation). (c,d) Application of the model to bone graft healing in the 1227 presence of a filter placed in between graft and muscle (*i.e.* blood vessels cannot come from 1228 the muscle side) with visual representation (c) and quantification (d) of the different tissue 1229 fractions in the modelled region. Quantification was performed only in the left rectangle of the 1230 modelled region, as indicated by the hatched area in panel a, representing the graft callus. 1231 The amount of nutrients that can pass through the filter (boundary condition; BC) was varied 1232 between 100% (= the maximal amount that can be supplied by the vasculature, applied to the 1233 whole filter length, resulting in similar nutrient distributions as in the control) and 0%. When 1234 nutrient supply through the filter is set at 20-40%, the model correctly recapitulates the 1235 chondrogenic switch in the central region of the graft as observed in vivo. When nutrient 1236 supply through the filter was >40%, the cells in the central graft region differentiated directly 1237 into osteoblasts, while a supply of nutrients <20% induced massive cell death and completely 1238 prevented tissue formation and graft healing. (e) Visual representation of the effect of 1239 additional growth factor (gf) diffusion and/or progenitor cell (prog) migration from the filter side on cartilage and bone fractions at day 14. The control situation (no filter) is shown on the 1240 1241 left and the filter situation with a BC for nutrients of 40% is shown on the right. No large effect 1242 of these additional BC on the healing response was observed.

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1244 Extended Data Figure 4: Skeletal progenitors resist nutritional stress via induction of 1245 SOX9

(a) Immunoblot detection of nuclear SOX9 in C3H10T1/2 cells and periosteal cells exposed
for 24 hours to control or CND medium, with Lamin A/C as loading control (n=2 independent
experiments). (b) mRNA levels of *Sox9* and *Col2a1* in periosteal cells exposed for the

indicated times to control or CND medium (relative to control, n=3 biologically independent 1249 1250 samples). (c) mRNA levels of runt-related transcription factor 2 (*Runx2*; osteogenic lineage), 1251 peroxisome proliferator-activated receptor y (Pparg; adipogenic lineage) and MyoD (myogenic lineage) in periosteal cells exposed for 48 hours to control or CND medium 1252 (relative to control, n=3 biologically independent samples). (d) mRNA levels of Sox9 in 1253 1254 C3H10T1/2 cells exposed for the indicated times to control or SD medium (relative to control, 1255 n=3 independent experiments). (e) Immunoblot detection of total SOX9 in C3H10T1/2 cells 1256 exposed for different durations to control or SD medium, with β -actin as loading control (n=2 independent experiments). (f) Immunoblot detection of nuclear and cytoplasmic SOX9 in 1257 1258 C3H10T1/2 cells exposed for 6 hours to control or SD medium, with Lamin A/C or β -actin as 1259 loading control (n=2 independent experiments). (g) Immunoblot detection of SOX9 in total 1260 cell protein extracts of C3H10T1/2 cells exposed for 6 hours to control medium, SD medium 1261 or SD medium supplemented with different concentrations of the transcription inhibitor 1262 Actinomycin D (Act. D) or the translation inhibitor cycloheximide (CHX). Detection of β -actin 1263 was used as loading control (n=2 independent experiments). (h) mRNA levels of Runx2, Pparg and MyoD in C3H10T1/2 cells exposed for the indicated times to control or SD 1264 1265 medium (relative to control, n=3 independent experiments). (i) Immunoblot detection of 1266 nuclear SOX9 in periosteal cells exposed for 24 hours to control or SD medium with Lamin 1267 A/C as loading control (n=3 biologically independent samples). (j) Osteogenic differentiation of periosteal cells in control or SD medium, assessed by visualization of mineral deposits 1268 1269 (Alizarin Red staining) and quantification of Ocn mRNA levels (relative to Actin, n=3 1270 biologically independent samples). (k) Immunoblot detection of SOX9 in total cell protein extracts of C3H10T1/2 cells (in control or SD medium), periosteal cells and growth plate-1271 1272 derived chondrocytes transduced with shSOX9 or shSCR, with β -actin as loading control. A 1273 longer exposure time was used for SOX9 detection in C3H10T1/2 cells and periosteal cells compared to chondrocytes in order to visualize any remaining protein in the shSOX9 1274 1275 conditions (n=2 independent experiments for C3H10T1/2 cells, n=3 biologically independent 1276 samples for periosteal cells, growth plate-derived chondrocytes). (I) Quantification of cell

viability of C3H10T1/2 cells, periosteal cells and growth plate-derived chondrocytes transduced with shSOX9 or shSCR, after 72 hours of exposure to control, SD or CND medium (n=3 independent experiments for C3H10T1/2 cells, n=3 biologically independent samples for periosteal cells, growth plate-derived chondrocytes). Mean \pm s.e.m. Two-way ANOVA with Bonferroni post-hoc test (**b**,**d**,**h**,**I**), two-tailed Student's t-test (**c**,**j**). For gel source data, see Supplementary Figure 1.

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1284 Extended Data Figure 5: Reduced lipid availability favours chondrogenesis over 1285 osteogenesis

1286 (a-c) Immunoblot detection of total SOX9 in C3H10T1/2 cells exposed for 6 hours to control 1287 medium, SD medium or SD medium supplemented with increasing concentrations of palmitate (a), with VLDL (b), or with PUFA (c). Detection of β -actin was used as loading 1288 1289 control. EtOH was used as a vehicle control in **a** and **c** (n=2 independent experiments). (**d**) Histological visualization (by immunofluorescence for COL2) of chondrogenic differentiation 1290 1291 of periosteal cells in pellet cultures in control, SD medium or LRS medium supplemented with 1292 vehicle (EtOH), oleate or PUFA (representative images of n=2 independent experiments). Scale bars, 100µm. (e) Osteogenic differentiation of periosteal cells in control, SD medium or 1293 1294 LRS medium, assessed by visualization of mineral deposits (Alizarin Red staining) and 1295 quantification of Ocn mRNA levels (relative to Actin, n=3 biologically independent samples). (f) Flow cytometric detection and quantification of the percentage of SOX9^{high} cells and total 1296 SOX9 levels in C3H10T1/2 cells, periosteal cells and skeletal stem cells exposed for 24 1297 1298 hours to control, SD or LRS medium (n=4 independent experiments for C3H10T1/2 cells, n=4 biologically independent samples for periosteal cells, skeletal stem cells). Gating for SOX9^{high} 1299 cells was set to have approximately 10% SOX9^{high} cells in control conditions in each cell type. 1300 (**q**,**h**) Flow cytometric quantification of cell cycle (**q**) and apoptosis (**h**) in SOX9^{low} and 1301 SOX9^{high} subpopulations of C3H10T1/2 cells, periosteal cells and skeletal stem cells exposed 1302 for 24 hours to control, SD or LRS medium (n=3 independent experiments for C3H10T1/2 1303 1304 cells, n=3 biologically independent samples for periosteal cells, skeletal stem cells). (i)

1305 Histological visualization and guantification of early chondrogenic (SOX9⁺) and osteogenic 1306 (Col1a1-DsRed⁺) cells in metatarsals cultured for 1 week in control medium, SD medium, or 1307 SD medium supplemented with PUFA or vehicle (EtOH) (n=6 biologically independent samples for control, SD and SD+veh, n=7 biologically independent samples for SD+PUFA). 1308 Scale bars, 50µm. (i) Histological visualization of mineralization by Von Kossa staining in 1309 1310 metatarsals cultured for 1 week in control medium, SD medium, or SD medium supplemented with vehicle or PUFA (representative images of n=6 biologically independent 1311 samples for control, SD and SD+veh, n=7 biologically independent samples for SD+PUFA). 1312 1313 Scale bars, 100µm. (k) Histological visualization (Safranin O staining) and quantification of 1314 cartilage and woven bone in the callus at post-fracture day 7 of mice treated daily with free 1315 fatty acids (FFA; 20µl corn oil) or sham injection (saline) at the fracture site (n=5 mice). Scale 1316 bars, 500µm. (I) Flow cytometric quantification of total SOX9 levels in C3H10T1/2 cells or skeletal stem cells exposed for 24 hours to control, SD or LRS medium supplemented with 1317 1318 100µM GW9508 or vehicle (DMSO) (n=3 independent experiments for C3H10T1/2 cells, n=3 1319 biologically independent samples for skeletal stem cells). (m) Visualization and quantification of diffusion of a fluorescent fatty acid (FL-C16) and fluorescent glucose (2-NBDG) in collagen 1320 1321 gels seeded with periosteal cells (5 million/ml) (n=3 biologically independent samples for FL-1322 C16, n=5 biologically independent samples for 2-NBDG). Scale bars, 500µm. (n,o) Visualization of Alcian Blue staining (n) and visualization and quantification of Sox9 1323 1324 expression (o) in micromass co-cultures of periosteal cells from Sox9-GFP mice and sorted 1325 cell populations from skeletal muscle of CAG-DsRed mice, after 9 days in chondrogenic SD 1326 medium (n=4 biologically independent samples). Addition of oleate was used as positive 1327 control. Scale bars, 100 μ m. EC: endothelial cell, M Φ : macrophage. Mean \pm s.e.m. One-way ANOVA (e,f,i,o), two-way ANOVA (h,l) or three-way ANOVA (g) with Bonferroni post-hoc 1328 1329 test, two-tailed Student's t-test (k,m). For gel source data, see Supplementary Figure 1.

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1331 Extended Data Figure 6: Chondrocytes do not depend on FAO

(a) Quantification of glycolytic rate, oxygen consumption and palmitate oxidation in periosteal 1332 cells (PC, n=5 biologically independent samples), skeletal stem cells (SSC, n=3 biologically 1333 1334 independent samples), growth plate-derived chondrocytes (GCH, n=3 biologically independent samples for oxygen consumption, n=4 biologically independent samples for 1335 glycolysis and palmitate oxidation), rib chondrocytes (RCH, n=5 biologically independent 1336 1337 samples for oxygen consumption, n=4 biologically independent samples for glycolysis and 1338 palmitate oxidation), calvarial osteoblasts (COB, n=5 biologically independent samples) and 1339 trabecular osteoblasts (TOB, n=5 biologically independent samples). (b) t-Distributed stochastic neighbor embedding (t-SNE) plot of 20,896 non-hematopoietic cells (mixed bone 1340 and bone marrow fractions, n=6 mice) based on single cell RNA sequencing data, annotated 1341 1342 post hoc and coloured by clustering (top) or by expression (In(TP10K)) of selected genes 1343 (bottom). (c) Expression (row-wide Z score of In of average TP10K; single cell RNA 1344 sequencing) of FAO- and glycolysis-related genes (rows) in the cells of each cluster 1345 (columns). (d) gRT-PCR analysis of genes involved in glycolysis (*Glut1*, *Pfkfb3* and *Ldha*; 1346 n=6 independent samples for *Glut1* and *Pfkfb3* in cartilage, n=9 independent samples for 1347 Glut1 and Pfkfb3 in bone, n=8 independent samples for Ldha) and FAO (Cpt1a, Acadm and 1348 Acadl: n=8 independent samples) in murine growth plate cartilage and cortical bone biopsies 1349 (relative to Actin). (e) Analysis of adjacent histological sections of a growth plate and fracture 1350 callus (PFD7) of mice injected intravenously with a fluorescent fatty acid (Red-C12) or 1351 glucose (2-NBDG) (representative images of n=3 mice). Scale bars, 100µm in growth plate images, 50µm in fracture callus images. b: bone, c: cartilage (f) Immunofluorescence 1352 1353 analysis of a fracture callus (PFD7) of a mouse injected intravenously with a fluorescent fatty 1354 acid (Red-C12) and stained for SOX9 (left; cartilage area shown) or COL1 (right; trabecular 1355 bone area shown) (representative images of n=3 mice). Scale bars, $50\mu m$. c: cartilage (g) Histological visualization and quantification at PFD7 of CAG-DsRed⁺ skeletal stem cells 1356 (SSC), transduced with shCPT1a or shSCR and transplanted at the fracture site on PFD0 1357 1358 (n=3 mice). Dotted lines delineate cortical bone ends. (h) Quantification of number of live and 1359 dead cells in cultures of periosteal cells, growth plate-derived chondrocytes and calvarial

osteoblasts after 48 hours of exposure to etomoxir (n=3 biologically independent samples). Mean \pm s.e.m. One-way (**a**) or two-way (**h**) ANOVA with Bonferroni post-hoc test, two-tailed Student's t-test (**d**,**g**).

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1364 Extended Data Figure 7: Changes in FAO and autophagy after lipid deprivation

1365 (a) Measurement of oxidation of extracellularly added palmitate by periosteal cells in control 1366 medium or at different times in LRS medium (n=4 biologically independent samples). (b) 1367 Quantification of FAO-linked OCR in periosteal cells in control medium or at different times in LRS medium (n=4 biologically independent samples). (c) Confocal microscopy of periosteal 1368 1369 cells labelled with Red-C12 (fluorescent fatty acid, red) and stained with MitoTracker 1370 (mitochondria, green) and DPH (lipid droplets, blue) shows increased co-localization (as quantified by Pearson's correlation coefficient) of MitoTracker and Red-C12 after exposure of 1371 1372 cells for 6 hours to SD (n=4 biologically independent samples). Scale bars, 20µm. (d) Immunoblot detection of LC3 in total cell protein extracts of C3H10T1/2 cells and periosteal 1373 cells exposed for different times to control or SD medium, with β -actin as loading control. 1374 1375 Note increased conversion of LC3-I to LC3-II at early time points, indicative of activation of autophagy (n=2 independent experiments). (e,f) Confocal microscopy of C3H10T1/2 cells (e; 1376 n=3 independent experiments) or periosteal cells (f; n=3 biologically independent samples), 1377 1378 expressing an RFP-GFP-LC3 tandem construct, shows activation of autophagy with time upon SD, evidenced by increased total number of LC3 puncta per cell and higher percentage 1379 1380 of RFP⁺GFP⁻ puncta. Scale bars, 20µm. (g) Confocal microscopy-based visualization (top) 1381 and quantification (bottom) of C3H10T1/2 cells, stained with the neutral lipid dye DPH to 1382 reveal lipid droplet dynamics at different time points after SD. Cells were transduced with shATG5 to inhibit autophagy or shSCR as a control (n=6 independent experiments). Scale 1383 1384 bars, 20µm. (h) Quantification of FAO-linked OCR in periosteal cells in control medium or at different times after SD, treated with 10µM chloroquine (CQ) or vehicle (n=3 biologically 1385 independent samples). (i) Quantification of cell viability of C3H10T1/2 cells and periosteal 1386 1387 cells after 72 hours of exposure to control or SD medium in the presence or absence of 50µM

(C3H10T1/2 cells) or 10µM (periosteal cells) CQ (n=3 independent experiments for 1388 C3H10T1/2 cells, n=3 biologically independent samples for periosteal cells). (i) Immunoblot 1389 1390 detection of total SOX9 in C3H10T1/2 cells and nuclear SOX9 in periosteal cells exposed for 6 hours (C3H10T1/2 cells) or 24 hours (periosteal cells) to control medium (with DMSO as 1391 vehicle control) or medium supplemented with 100μM etomoxir (Eto), with β-actin or Lamin 1392 1393 A/C as loading control. (k) Cell morphology of growth plate-derived chondrocytes transduced 1394 with shSOX9 or shSCR (representative images of 6 biologically independent samples). Scale 1395 bar, 100µM. (I) gRT-PCR analysis of genes involved in chondrogenesis (Sox9, Col2a1 and Acan) and FAO (Cpt1a, Acadm and Acadl) in growth plate-derived chondrocytes transduced 1396 with shSOX9 or shSCR (relative to shSCR, n=6 biologically independent samples). Mean \pm 1397 1398 s.e.m. One-way ANOVA (**a**,**b**,**e**,**f**) or two-way ANOVA (**g**,**h**,**i**) with Bonferroni post-hoc test, 1399 two-tailed Student's t-test (c,l). For gel source data, see Supplementary Figure 1.

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1401 Extended Data Figure 8: Lipids regulate SOX9 through FoxO signalling

1402 (a) Heatmap showing differential expression of cartilage-related genes in C3H10T1/2 cells 1403 exposed for different times to SD versus control medium, as determined by mRNA sequencing (n=3 replicates). (b) Volcano plot showing significantly enriched and depleted 1404 1405 mRNAs in C3H10T1/2 cells exposed for 3 or 6 hours to SD versus control medium, as 1406 determined by mRNA sequencing (n=3 replicates). (c) Top 10 most significantly enriched 1407 transcription factor motifs with normalized enrichment scores (NES) in C3H10T1/2 cells exposed for 3 (left) or 6 (right) hours to SD versus control medium, as determined by i-1408 1409 cisTarget analysis on the 100 most significantly increased mRNAs (n=3 replicates). Motif 1410 shown on top is the Hmga1 motif for 3 hours and the Atf4 motif for 6 hours. (d) Confocal microscopy of C3H10T1/2 cells stained for FoxO1 after exposure of cells for 3 hours to SD or 1411 1412 LRS, in the presence of vehicle (EtOH), oleate (60µM) or PUFA (representative images of 2 independent experiments). Scale bars, 20µm. (e) Nuclear FoxO activity in C3H10T1/2 cells 1413 exposed for 3 hours to control, SD or LRS medium (n=5 independent experiments). (f) 1414 1415 Nuclear FoxO activity in skeletal stem cells exposed for 3 hours to control medium, LRS

1416 medium or LRS medium supplemented with PUFA (n=3 biologically independent samples). 1417 EtOH was used as vehicle control. (g) Occupancy of FoxO1 at the Sox9 promoter of Cas9-1418 expressing C3H10T1/2 cells transduced with sgFoxO1, sgFoxO3a or sgSCR, exposed for 3 hours to control or SD medium, as determined by ChIP-qPCR (n=3 independent 1419 experiments). (h) Flow cytometric quantification of total SOX9 levels in C3H10T1/2 cells (n=4 1420 1421 independent experiments for control and SD, n=3 independent experiments for LRS) and skeletal stem cells (n=3 biologically independent samples) exposed for 24 hours to control, 1422 SD or LRS medium supplemented with 1µM AS1842856 or vehicle (DMSO). (i) Immunoblot 1423 1424 detection of total SOX9 in Cas9-expressing C3H10T1/2 cells transduced with inducible sgFoxO1 and sgFoxO3a (sgFoxO1/3a) or with sgSCR, exposed for 6 hours to control, SD or 1425 1426 LRS medium in the presence or absence of doxycycline (dox; 250ng/ml), with β -actin as 1427 loading control (n=2 independent experiments). (i) Flow cytometric quantification of total 1428 SOX9 levels in skeletal stem cells transduced with shFoxO1 and shFoxO3a (shFoxO1/3a) or 1429 with shSCR, exposed for 24 hours to control, SD or LRS medium (n=5 biologically 1430 independent samples). (k) Histological visualization and quantification of FoxO3a-expressing cells in the fracture callus at PFD7 of mice treated daily with GW9508 (10nmol) or vehicle 1431 1432 (0.2% DMSO in saline) at the fracture site (n=5 mice). Scale bars, 500µm. Dotted lines 1433 delineate cortical bone ends. (I) Histological visualization and guantification in the fracture 1434 callus at PFD7 of CAG-DsRed⁺ skeletal stem cells (SSC), transduced with shFoxO1/3a or shSCR and transplanted at the fracture site on PFD0 (n=5 mice). Dotted lines delineate 1435 1436 cortical bone ends. Mean ± s.e.m. One-way ANOVA (e,f) or two-way ANOVA (g,h,j) with 1437 Bonferroni post-hoc test, two-tailed Student's t-test (k,l). For gel source data, see 1438 Supplementary Figure 1.

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1440 Extended Data Figure 9: Flow cytometry gating for cell sorting

(a) Contour plots showing the gating strategy for the identification and isolation of skeletal
stem cells from long bones of new-born mice. (b) Contour plots showing the gating strategy

- 1443 for the identification and isolation of macrophages, endothelial cells and pericytes from
- 1444 skeletal muscle of adult mice.













FoxO3a Nuclei

mitochondrion

FoxO - SOX9