

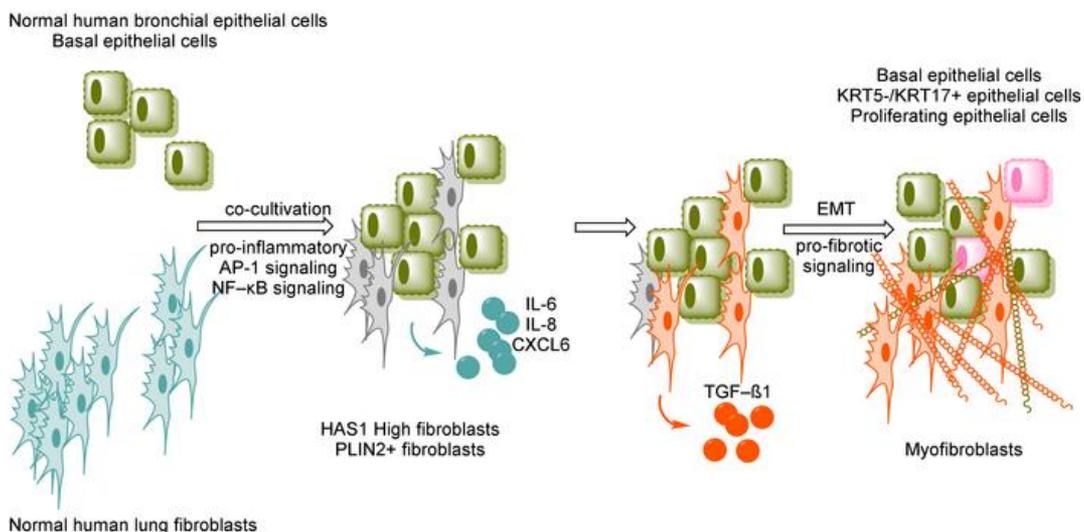
## NF- $\kappa$ B drives epithelial-mesenchymal mechanisms of lung fibrosis in a translational lung cell model

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### Graphical abstract



Interaction between bronchial/basal epithelial cells and lung fibroblasts leads to the appearance of epithelial and mesenchymal cell states found in IPF patient lungs.

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1 **NF-κB drives epithelial-mesenchymal mechanisms of**  
2 **lung fibrosis in a translational lung cell model**

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17

## 18 **Abstract**

19 In the progression phase of idiopathic pulmonary fibrosis (IPF) the normal alveolar structure  
20 of the lung is lost and replaced by remodeled fibrotic tissue and by bronchiolized cystic  
21 airspaces. Although these are characteristic features of IPF, knowledge of specific interactions  
22 between these pathological processes is limited. Here, the interaction of lung epithelial and  
23 lung mesenchymal cells was investigated in a co-culture model of human primary airway  
24 epithelial cells (EC) and lung fibroblasts (FB). Single-cell RNA sequencing (sc-RNA-seq)  
25 revealed that the starting EC population was heterogenous and enriched for cells with a basal  
26 cell signature. Furthermore, fractions of the initial EC and FB cell populations adopted distinct  
27 pro-fibrotic cell differentiation states upon co-cultivation, resembling specific cell populations  
28 that were previously identified in lungs of IPF patients. Transcriptomic analysis revealed active  
29 nuclear factor NF- $\kappa$ B (NF- $\kappa$ B) signaling early in the co-cultured EC and FB cells and  
30 the identified NF- $\kappa$ B expression signatures were also found in "HAS1 High FB" and "PLIN2+  
31 FB" populations from IPF patient lungs. Pharmacological blockade of NF- $\kappa$ B signaling  
32 attenuated specific phenotypic changes of EC and prevented FB-mediated interleukin-6  
33 (IL6), interleukin-8 (IL-8) and C-X-C motif chemokine ligand 6 (CXCL6) cytokine secretion,  
34 as well as collagen alpha-1(I) chain (COL1A1) and alpha-smooth muscle actin ( $\alpha$ -SMA)  
35 accumulation. Thus, we identified NF- $\kappa$ B as a potential mediator, linking epithelial  
36 pathobiology with fibrogenesis.

37

## 41 Introduction

42 IPF, the most severe form of pulmonary fibrosis, is a chronic progressive disease leading to  
43 respiratory failure and death or lung transplantation with a median survival of 6–8 years from  
44 diagnosis. IPF is an incurable disease and currently available treatments can only slow the  
45 rate of decline of forced vital capacity (FVC) of the lung (1). The disease is characterized by  
46 pathological epithelial remodeling, accumulation of extracellular matrix (ECM) in the peripheral  
47 lung, accompanied by the destruction of functional alveolar gas exchange structures (2).

48 Disease progression may involve continuous proliferation of dysfunctional reprogrammed  
49 bronchoalveolar EC (1). The timing and nature of triggering and subsequent reprogramming  
50 of lung EC, however, need further exploration (1, 3). Recent sc-RNA-seq-based studies have  
51 identified specific cell populations that were enriched in IPF patients compared with control  
52 lungs (4-8). While EC play a major role in the formation of bronchiolized cystic airspaces,  
53 myofibroblasts and related mesenchymal cells are mainly responsible for the synthesis of  
54 ECM components and fibrotic distortion of the lung. To improve our understanding of the  
55 pathological epithelial–mesenchymal interaction, we set out to model the “epithelial–  
56 mesenchymal module” in vitro by co-culturing EC and FB cells. EC and mesenchymal cells  
57 have previously been cultured together, resulting in various outcomes that can be attributed  
58 to the particular cell types and applied cell culture protocol, but also to the frequently added  
59 pro-fibrotic stimuli (9-17).

60 Here, we identified and optimized in vitro conditions that reproducibly recapitulate,  
61 chronologically phased and in the absence of added artificial stimuli, a pro-fibrotic phenotype  
62 shift in the cultured cells. Upon direct EC/FB contact, co-culture of primary normal human  
63 lung fibroblasts (NHLF) and normal human bronchiolar epithelial cells (NHBE) led to the robust  
64 activation of a fibrogenic program in the co-cultivated FB. FB responded with a strong initial  
65 inflammatory response, followed by transforming growth factor beta (TGF- $\beta$ )–mediated  
66 synthesis of ECM components (i.e. COL1A1) and increased  $\alpha$ -SMA, which are considered

67 hallmarks of FB-to-myofibroblast transition. Preceding myofibroblast differentiation, co-  
68 culture induced activation of NF- $\kappa$ B and activator protein 1 (AP-1), with associated  
69 downstream gene expression changes, were evident already after 3 hours in FB and EC.  
70 Using sc-RNA-seq and genomic data analysis, we show that co-cultured EC and FB  
71 progress to cell phenotypes that are also enriched in IPF patients, and we identified expression  
72 of NF- $\kappa$ B and AP-1 gene modules in distinct cell populations of IPF patients, highlighting the  
73 translational potential of our model.

74 Pharmacological inhibition of NF- $\kappa$ B and AP-1 signaling revealed their driving role in the early  
75 stages of fibrogenesis in the co-culture model, suggesting that NF- $\kappa$ B and AP-1 signaling  
76 might also contribute to the pathobiological process in IPF and could be a potential target for  
77 pharmacological intervention.

78

## 80 **Results**

### 81 **EC induce FB-to-myofibroblast transformation**

82 Previously, we identified common genomic signatures between samples from IPF patient  
83 lungs and bleomycin-treated rat lungs (18). To expand on this work, expression of selected  
84 genes was investigated on consecutive histological sections that were prepared from lung  
85 biopsies of IPF patients and non-IPF control lungs, using RNAscope in-situ hybridization  
86 (ISH). Areas with detectable gene expression exhibited distribution patterns that were  
87 generally more abundant in patients (Supplemental Figure 1, Supplemental Figure 2). Cells  
88 expressing the epithelial markers integrin subunit beta 6 (*ITGB6*) and integrin subunit alpha  
89 V (*ITGAV*) overlaid foci with high *COL1A1* expression in lung regions considered to have  
90 active disease (Figure 1, Supplemental Figure 2). In particular, *ITGB6* and *COL1A1*  
91 expression was detected in cells that were in very close proximity to each other but appeared  
92 to be mutually exclusive (Figure 1). Collectively, we found that EC and FB/myofibroblasts  
93 appeared in very close contact in areas of active disease in IPF patient lungs, which is in  
94 accordance with published data (4-6).

95 These observations prompted us to investigate potentially pathological interactions between  
96 EC and FB, and we co-cultivated these two cell types in vitro. To this end, NHBE cells were  
97 pre-stained with CellTracker Deep Red and co-cultured together with NHLF in a 2D tissue  
98 culture plate. As controls, NHBE and NHLF were cultivated in monocultures either in absence  
99 of any supplements (veh) or monocultured NHLF were treated with TGF- $\beta$ 1, respectively, to  
100 induce myofibroblast transition. After 5 to 8 days the cells were fixed and stained with DAPI  
101 and an anti- $\alpha$ -SMA antibody for image analysis (Figure 2A).

102 Remarkably, in co-culture, NHBE cells induced pronounced transition of NHLF to  $\alpha$ -SMA-  
103 positive myofibroblasts. The effectiveness was comparable to NHLF that were stimulated with

104 the known profibrotic mediator TGF- $\beta$ 1 in absence of NHBE (Figure 2A).The effective  
105 induction of FB-to-myofibroblast transition in co-culture was confirmed after cell  
106 segmentation into  $\alpha$ -SMA-negative FB or  $\alpha$ -SMA-positive myofibroblasts, using a trained  
107 classifier (Figure 2B).

108 When co-cultivated with other epithelial cell types NHLF also differentiated into cells with a  
109 myofibroblast-like phenotype, albeit with different effectiveness (Supplemental Figure 3, A  
110 and B). This was not, or only weakly, observed when NHLF were co-cultured with NHLF,  
111 smooth muscle cells or endothelial cells (Supplemental Figure 3C).

112 Surprisingly, a very low number of NHBE cells (i.e. 200 per well) was sufficient to induce a  
113 robust induction of  $\alpha$ -SMA expression in the maximum number of tested NHLF (i.e. 4'000 per  
114 well; Supplemental Figure 3D). The effects were comparable when IPF-patient-derived  
115 human lung fibroblasts (IHLF) instead of NHLF were used as effector cells (Supplemental  
116 Figure 3, A and C).

117 To complement our microscopy-based analysis results, we applied MS/MS-based protein  
118 analysis to accurately quantify cellular COL1A1 (herein abbreviated with COL1 for simplicity)  
119 and  $\alpha$ -SMA protein levels from co-culture lysates (19) at different time-points after seeding.  
120 COL1 and  $\alpha$ -SMA served as endpoints for ECM production and contractility, respectively. In  
121 NHLF/NHBE co-cultures a significant increase in  $\alpha$ -SMA protein was first detected after 98  
122 hours, whereas a significant increase in COL1 protein was already observed 50 hours after  
123 seeding, suggesting that these markers may be controlled by different regulatory mechanisms  
124 (Figure 2, C and D).

125 To test whether the EC-induced FB into myofibroblast transition required direct cell-to-cell  
126 contact, we performed a trans-well experiment. In this experiment NHLF and NHBE were  
127 seeded either together in the lower chamber or individually in the upper or lower chamber.  
128 This allowed co-cultivation of cells in the same chamber but without physical contact. Notably,

129 increased COL1 accumulation after 98 hours was only observed when NHBE and NHLF were  
130 seeded in direct contact (Figure 2E).

131 To confirm that secreted factors were not driving EC-induced activation of FB into  
132 myofibroblasts, conditioned monoculture supernatants from either NHBE or NHLF were added  
133 to FB and cell responses were quantified using impedance technology. This methodology  
134 detects FB to myofibroblast transformation with high sensitivity and accuracy (19). Neither the  
135 addition of supernatant of NHBE nor of vehicle-treated NHLF led to any detectable impedance  
136 change (Supplemental Figure 4A). Interestingly, the addition of supernatant from NHLF/NHBE  
137 co-culture to NHLF led to a transient increase in impedance with a peak after 4h  
138 (Supplemental Figure 4). This is indicative of a signaling event and suggested the presence  
139 of a co-culture-specific factor, which was absent in supernatants of monocultured cells.  
140 Nevertheless, the addition of this secreted co-culture factor was, in contrast to supernatant  
141 from TGF- $\beta$ 1-treated NHLF, insufficient to trigger an increase of  $\alpha$ -SMA and COL1 in NHLF  
142 (Supplemental Figure 4, B and C).

143 In summary, the results indicate that EC, through cell-to-cell contact with FB, trigger  
144 transformation of FB into active myofibroblast in co-cultures.

## 145 **Co-cultures of EC and FB induce pro-inflammatory and** 146 **pro-fibrotic signaling pathways**

147 To follow cell-type-specific temporal changes of gene expression in co-cultured NHBE and  
148 NHLF, we used fluorescence-activated cell sorting (FACS) and quantitative real-time  
149 polymerase chain reaction (qRT-PCR) analysis. To this end, pre-labelled NHBE (CellTrace  
150 Violet) and NHLF (CellTrace Far Red) were harvested at different time points from either  
151 monocultured or co-cultured conditions and sorted by FACS. Both dyes were readily absorbed  
152 by the cells, stained the cells for the full duration of the experiment (i.e. 98 hours) and remained  
153 specific for each cell type in co-culture conditions (Figure 3A). To study gene expression

154 changes we first used a limited set of literature-based fibrosis-associated and cell-type  
155 marker genes (6, 18, 20).

156 The FACS sorted NHBE expressed the epithelial marker gene cadherin 1 (*CDH1*) (Figure 3B),  
157 which was absent from NHLF populations. The FB marker vimentin (*VIM*) was predominant in  
158 FACS sorted NHLF (Figure 3B), demonstrating that both pre-labelled cell types were  
159 successfully separated after co-culture.

160 NHLF, when co-cultured with NHBE, showed a temporal expression increase of genes  
161 encoding ECM proteins and proteins associated with a myofibroblast phenotype, such as actin  
162 alpha 2, smooth muscle (*ACTA2* coding for  $\alpha$ -SMA), collagen type I alpha 1 chain (*COL1A1*),  
163 fibronectin 1 (*FN1*), elastin (*ELN*), but also of *TGFB1* (coding for TGF- $\beta$ 1) and cellular  
164 communication network factor 2 (*CCN2*, coding for CTGF; Figure 3C). These genes showed  
165 similar kinetics with a significant increase between t = 18h and t = 50h, which is in line with  
166 the fibrotic effector function of NHLF in this assay. NHBE in monoculture or in co-culture,  
167 expressed, in addition to *ITGB6*, a set of genes coding for secreted pro-inflammatory or pro-  
168 fibrotic proteins, tumor necrosis factor (*TNF*), platelet derived growth factor subunit A  
169 (*PDGFA*), and endothelin 1 (*EDN1*). Expression of these genes transiently increased,  
170 reaching a peak at t = 50h, and subsequently decreased to baseline at t = 98h (Figure 3C).  
171 Interestingly, with time, expression of *ACTA2* and *COL1A1* was also detected in co-cultured  
172 NHBE, but not monocultured NHBE (Figure 3C), suggesting EMT in co-cultured conditions.  
173 Co-cultured NHLF were the main contributing cell type to the expression of *TGFB1*, *CCN2* as  
174 well as to the cytokines *CXCL6*, *IL6* and *CXCL8*. Remarkably, *CXCL6*, *CXCL8* and *IL6*  
175 expression was elevated already at t = 3h in co-cultured NHLF compared to monocultured  
176 NHLF. In summary, cell-type-specific analysis of gene expression in NHLF/NHBE co-  
177 cultures revealed induction of pro-inflammatory and pro-fibrotic gene expression.

## 178 **Early gene expression changes reveal NHBE-induced** 179 **inflammatory responses in NHLF**

180 To learn more about the initiating stimulus in co-cultures we performed a comprehensive  
181 transcriptional characterization of the early events of the co-culture. NHLF and NHBE cells  
182 were pre-stained (as above) and grown individually or as co-cultures. Cells were collected at  
183 the time points  $t = 0h, 3h$  and  $18h$ , FACS-sorted to produce pure NHBE-derived and NHLF-  
184 derived cell population samples (Supplemental Figure 5) and analyzed by bulk RNA-seq.

185 In a first step, we identified differentially expressed genes (DEG) with a linear fold-change  
186  $|\text{LinFC}| > 1,5$  and a false discovery rate (FDR)  $< 0,05$  in the co-culture and the respective  
187 monoculture at  $t = 3h$  and  $t = 18h$ , respectively. For all four conditions (i.e., NHLF, NHBE,  
188 NHLF-CC, and NHBE-CC), genes were included if expression was significantly different from  
189 expression at time  $t = 0h$ . Compared to the corresponding monoculture, 1599 ( $t = 3h$ ) and  
190 2730 ( $t = 18h$ ) genes were specifically differentially regulated in the co-cultured NHLF (NHLF-  
191 CC) and 1364 ( $t = 3h$ ) and 1632 genes ( $t = 18h$ ), respectively, in co-cultured NHBE (NHBE-  
192 CC; Figure 4A, Supplemental Table 1). Canonical pathway analysis, as implemented in the  
193 Ingenuity Pathway Analysis (IPA) application, was performed on the DEG that were specific  
194 for the co-cultures to identify top-ranking canonical pathways (Figure 4A and Supplemental  
195 Table 2). IPA upstream regulator analysis on the co-culture specific DEG revealed that  
196 already after 3 hours both NHLF-CC and NHBE-CC mounted inflammation- and TLR-  
197 mediated signaling, i.e. via TNF, cytokines of the IL-1 family and IL-6, with the concurrent  
198 activation of the transcription factors NF- $\kappa$ B and STAT3 (Figure 4B; Supplemental Table 3;  
199 Supplemental Table 4).

200 To identify co-regulated gene clusters with similar temporal expression specifically during the  
201 early phases of co-culture, noise-robust soft clustering based on the fuzzy c-means algorithm  
202 was performed on the gene expression time series data, excluding genes with low expression  
203 (i.e.  $\text{max}(\text{count})$  transcripts per kilobase million [TPM]  $< 1$ ). 6289 DEG in NHLF-CC and 6295

204 DEG in NHBE-CC were subjected to hierarchical clustering and seven clusters were  
205 estimated as the most suitable number of clusters for each cell population. Hence, for both  
206 NHLF-CC and NHBE-CC, a set of seven clusters based on common gene expression kinetics  
207 were generated (Supplemental Figure 6). Next, a gene set overexpression analysis (GSOA)  
208 was performed to test whether certain biological functions or processes – , or the consensus  
209 binding sites of transcription factors (TFs), were enriched in the genes associated with the co-  
210 culture-specific time series clusters.

211 Querying the Hallmark (MSigDB) collection identified the gene set "TNF- $\alpha$  signaling via NF-  
212  $\kappa$ B" as highly enriched in NHLF-CC – as well as in NHBE-CC clusters that showed markedly  
213 increased gene expression between t = 0h and t = 3h (i.e. Figure 4C; Supplemental Figure 6,  
214 A, F, G, H, M and N). Query of JASPAR (21) and TRRUST (22) collections, using the R  
215 package hypeR (23) with gene sets provided by Enrichr (24), revealed an over-representation  
216 of TF consensus binding sites and TF-targets of the NF- $\kappa$ B – as well as AP-1 family TFs in  
217 the co-expressed genes of those clusters that were characterized by the enrichment of the  
218 gene set "TNF- $\alpha$  signaling via NF- $\kappa$ B", (i.e. Supplemental Figure 6A, G, H, and N).

219 We next examined whether the findings of the pathway analysis were also reflected in the  
220 gene expression of the individual NF- $\kappa$ B family members. Indeed, the expression of the NF-  
221  $\kappa$ B family members nuclear factor kappa B subunit 1 (*NFKB1*), – subunit 2 (*NFKB2*), REL  
222 proto-oncogene, NF- $\kappa$ B subunit (*REL*), and RELB proto-oncogene, NF- $\kappa$ B subunit (*RELB*)  
223 showed co-culture specific upregulation at t = 3h and t = 18h (Figure 4D). Furthermore, in  
224 NHLF-CC, the expression of the AP-1 transcription factor subunits Jun proto-oncogene  
225 (*JUN*), JunB proto-oncogene (*JUNB*), Fos proto-oncogene (*FOS*), and Fos like 2 (*FOSL2*)  
226 were upregulated at t = 3h vs t = 0h (Figure 4D) and in co-culture vs monoculture. Activating  
227 transcription factor 3 (*ATF3*), – 4 (*ATF4*), and – 5 (*ATF5*) expression was increased at t = 3h  
228 vs t = 0h and increased in NHLF-CC vs NHLF at t = 3h and/or t = 18h (Figure 4D). Several  
229 AP-1 and NF- $\kappa$ B family subunits appeared upregulated at t = 3h in both mono- and co-

230 cultured NHBE, indicating that in NHBE expression changes of these genes is affected by  
231 culture rather than co-culture (Supplemental Figure 7).

232 In summary, our expression and GSOA analysis of the early time points of the NHBE/NHLF  
233 co-culture indicates that co-cultivation triggers a strong acute inflammatory response,  
234 particularly in the NHLF-CC, with increased expression and/or the activation of the  
235 transcription factors NF- $\kappa$ B, AP-1 and STAT3.

## 236 **NF- $\kappa$ B signaling during the early phase of the co-culture is** 237 **essential for the fibrogenic activation of fibroblasts**

238 To address the translational relevance of this in vitro co-culture system to investigate anti-  
239 fibrotic treatment modalities, the two IPF standard-of-care treatments, nintedanib and  
240 pirfenidone, were assessed. To this end, compounds were added at the time of seeding of  
241 NHLF and NHBE cells and changes in protein expression were quantified 98 hours later using  
242 MS/MS.

243 Nintedanib showed a dose-dependent inhibition of both COL1 and  $\alpha$ -SMA proteins, at  
244 concentrations for which no cytotoxicity was observed in a combined viability and toxicity  
245 assay on CHO cells (Figure 5; Supplemental Figure 8C; Supplemental Table 5). Pirfenidone  
246 inhibited COL1 but not  $\alpha$ -SMA accumulation and this was only observed and statistically  
247 significant at the highest tested concentration (i.e. 10 mM; Figure 5B; Supplemental Table 5).  
248 Hence, both nintedanib and pirfenidone were able to inhibit COL1 production.

249 TGF- $\beta$ 1 is one of the best-described inducers of pro-fibrotic signaling and its expression is  
250 upregulated in the co-culture after 18 hours (Figure 3C). The known TGF- $\beta$ -receptor inhibitor  
251 EW-7197 (25) potently and concentration-dependently inhibited co-culture-induced COL1  
252 and  $\alpha$ -SMA protein accumulation (Figure 5C; Supplemental Table 5).

253 Cell-type-dependent phosphorylation and activation of STAT3 has been attributed to IL-6  
254 signaling via its receptors (26). The two inhibitors of IL-6/STAT3 signaling, LLL12 (27) and

255 static (26), inhibited the accumulation of COL1 and  $\alpha$ -SMA (Figure 5, D and E; Supplemental  
256 Table 5) at concentrations that led to a reduction in the metabolic activity, but this was not  
257 associated with cytotoxicity (Supplemental Figure 8, F and G).

258 AP-1 and NF- $\kappa$ B signatures were identified as very early upregulated signaling pathways in  
259 the co-culture model. BAY 11-7082 is a non-selective inhibitor of NF- $\kappa$ B inhibitor alpha  
260 (I $\kappa$ B $\alpha$ ) kinase IKK1 and IKK2, blocks the TNF-inducible phosphorylation of I $\kappa$ B $\alpha$  and, thus, is  
261 expected to inhibit all forms of NF- $\kappa$ B (28), whereas T-5224 is a known inhibitor of protein c-  
262 FOS (c-FOS)/AP-1 signaling (29). T-5224 and BAY 11-7082 effectively attenuated co-  
263 culture-induced COL1 and  $\alpha$ -SMA accumulation (Figure 5, F and G; Supplemental Table 5)  
264 at concentrations previously shown to inhibit NF- $\kappa$ B and c-FOS/AP-1 in vitro (28, 29). The  
265 effects were not associated with cytotoxicity (Supplemental Figure 8). When compound  
266 exposure was restricted to the first 18h of co-culture and was then removed, both, BAY 11-  
267 7082 and T-5224, completely and concentration-dependently abolished COL1 and  $\alpha$ -SMA  
268 accumulation at t = 98h with a potency comparable to the standard protocol with continued  
269 exposure (Figure 5, H and I).

270 AP-1 and NF- $\kappa$ B have been found to enhance the expression of numerous genes involved in  
271 the inflammatory process (30). As assessed by Luminex assays, treatment with the NF- $\kappa$ B  
272 inhibitor BAY 11-7082 applied from t = 0h to t = 18h and then removed, strongly inhibited the  
273 accumulation of IL-6, IL-8 and CXCL6 in the culture supernatant at t = 98h (Supplemental  
274 Figure 9B), whereas c-FOS/AP-1 inhibition with T-5224 did not influence their levels  
275 (Supplemental Figure 9C). TNF was below the limit of detection.

276 In summary, the results obtained with the pharmacological inhibitors provide supportive  
277 evidence for an active and causal contribution of TGF- $\beta$ -, AP-1-, NF- $\kappa$ B-, and STAT3-  
278 mediated signal transduction with a critical involvement of c-FOS/AP-1 and NF- $\kappa$ B during the  
279 early phase of the co-culture. Furthermore, NF- $\kappa$ B signaling during the early phase of the co-

280 culture was essential for the accumulation of the cytokines IL-6, IL-8 and CXCL6, whereas  
281 c-FOS was dispensable.

## 282 **Transcriptional expression profiles of in vitro co-cultured** 283 **NHLF and NHBE resemble those of IPF-specific lung cell** 284 **populations**

285 We further evaluated the fate of NHBE-CC and NHLF-CC during co-cultivation and  
286 compared the genomic profiles of these cells at different time points with genomic profiles of  
287 cells that were isolated from patients with IPF.

288 To this end, droplet-based sc-RNA-seq of NHBE-CC and NHLF-CC suspensions, collected  
289 at time points  $t = 0h, 3h,$  and  $50h,$  was performed. After normalization and integration of the  
290 data sets, we performed graph-based clustering towards identifying cell states across the  
291 different experimental variables. This analysis recovered 14 cell sub-state clusters across  
292 NHBE-CC and NHLF-CC lineage cells (Figure 6A). Each of the 6 EC – and the 8 FB cell sub-  
293 states was named after one of the most significantly associated genes for each state (see  
294 Methods for details).

295 Annotation of the Uniform Manifold Approximation and Projection (UMAP) embedding of the  
296 vehicle-treated cells according to the time of collection showed that cells of all sub-states  
297 were collected at each time point (Figure 6B). To capture any underlying dynamic processes  
298 or to identify trajectories between cell sub-states, we applied trajectory inference methods,  
299 also called pseudo-time analyses (31). Pseudo-time analysis, performed using the Slingshot  
300 (32) package, generated branched trajectories connecting the clusters of the FB and EC  
301 populations, respectively (Figure 6C). For the EC population, Slingshot created a branched  
302 trajectory along which cells of the EC\_COL6A1 and EC\_COL1A2 sub-states separated from  
303 the main EC population trajectory at EC\_FBXO2 (Figure 6C). These two distinct branches  
304 segregated the 6 distinct EC sub-states based on the presence or absence of *COL1A1* and

305 tumor protein p63 (*TP63*) expression (Figure 6E). Pseudo-time analysis using Monocle 3 (33)  
306 allowing for more refined resolution of cell states (clusters) revealed temporal gene expression  
307 changes within the sub-states of both populations, i.e., FB and EC (Figure 6D).

308 To evaluate the consequences of the gene expression dynamics, we determined the similarity  
309 of the co-culture system with a human IPF patient lung cell atlas (5). Of the published  
310 reference data set, we used the IPF patient-derived and control lung mesenchymal and  
311 epithelial types to generate a “reference” atlas with reduced dimensionality keeping the  
312 author’s original cell type labeling (Figure 7, A and B).

313 To compare our in vitro culture with human lung data, we calculated Pearson correlations of  
314 the averaged expression of shared variably expressed genes – and, used SingleR (34) to  
315 calculate, at the single-cell level, Spearman correlations of the expressed marker genes that  
316 were shared between reference and query cells. At t = 0h, some NHLF-CC query cells paired  
317 up with “Fibroblasts” but across all time points the FB population matched most closely the  
318 reference populations “HAS1 High FB”, “PLIN2+ FB”, “Myofibroblast”, and “Smooth Muscle  
319 Cells” (Figure 7, C and D; Supplemental Table 6). If only the human reference population with  
320 the highest similarity to the respective query cell is considered, the NHLFs showed the highest  
321 similarity to “Myofibroblast” at baseline (94%) and at t = 50h (98%; Table 1). At the  
322 intermediate time point, i.e. 3 hours after seeding, 50% and 21% of the query FB population  
323 showed highest similarity to the “HAS1 High FB” and the “PLIN2+ FB”, respectively (Table 1).  
324 At t = 3h, the cells resembling the “HAS1 High FB” are composed mainly of the FB\_LTBP1  
325 (49%) state, which also contributes most (37%) of the cells to the pool showing similarity to  
326 “PLIN2+ FB”. Since the classical myofibroblast marker genes showed upregulation only from  
327 t = 50h (Figure 3), the unbiased correlation revealed that the NHLFs displayed gene  
328 expression patterns of myofibroblast from the outset and thus may have adopted a “pre-  
329 myofibroblast” state during cultivation. Furthermore, our data suggest that the “HAS1 High FB”  
330 and “PLIN2+ FB” populations may represent intermediate stages in the course of transforming  
331 into fully differentiated ECM-synthesizing myofibroblast. For the joint EC query population,

332 the best Pearson correlations were obtained for “Basal EC”, “KRT5–/KRT17+ EC”, and  
333 “Proliferating EC” from IPF patients (Figure 7C; Supplemental Table 6). SingleR revealed  
334 similarity of the query EC population with the “Basal EC” population already from the start of  
335 the culture (Figure 7D). At t = 50h of cultivation, fractions of the EC cell query population (i.e.  
336 8%, 6%, and 4%), adopted states most closely resembling the “Proliferating EC”,  
337 “Myofibroblast”, and the “KRT5–/KRT17+ EC” populations from patients, respectively (Table  
338 1). The pools resembling “Proliferating EC” were mainly composed of EC\_KRT18 (69%) and  
339 EC\_FBXO2 (28%) and the “KRT5–/KRT17+ EC” of EC\_COL1A2 (25%), EC\_COL6A1 (15%),  
340 EC\_FBXO2 (25%), and EC\_KRT18 (30%). All correlations for the query at the level of the  
341 sub-states are provided in the Supplemental Data (Supplemental Table 7; Supplemental  
342 Table 8; Supplemental Table 9).

343 In summary, our analysis revealed a pre-myofibroblast profile for the NHLF cells at the  
344 beginning of culture. Subsequently, the majority of NHLFs adopted "HAS1 High FB" and  
345 "PLIN2+ FB" identity before their complete conversion into myofibroblasts. The NHBE cells  
346 consisted largely of cells with basal cell signature and the majority retained basal cell  
347 characteristics, with fractions of them assuming the character of "Proliferating EC",  
348 "Myofibroblast", and "KRT5–/KRT17+ EC". Therefore, transcriptional profiles of in vitro co-  
349 cultured NHLF and NHBE resemble cell populations that are also enriched in the lungs of ILD  
350 patients.

## 351 **NF-κB contributes to early molecular changes in co-** 352 **cultured fibroblast and epithelial cell populations**

353 We next investigated whether NF-κB or AP-1 would be involved in changes to the EC – or  
354 FB populations, i.e. whether inhibition of IKK/NF-κB and c-FOS/AP-1 with BAY 11-7082 and  
355 T-5224, respectively, had potential to modulate EC or FB phenotypes.

356 As determined by MAST (35) both the culture time of 50 hours and the two pharmacological  
357 interventions changed the relative frequencies of the EC and FB cell populations (Figure 8A).  
358 In the EC population, both treatments significantly decreased the dominant basal EC sub-  
359 states characterized by low or absent *COL1A1* and high *TP63* expression (i.e. EC\_KRT18,  
360 EC\_FBXO2 and EC\_KLK10; Figure 8A) and, consequently, increased the proportion of the  
361 *COL1A1* expressing transitional sub-states (i.e. EC\_COL1A2 and EC\_COL6A2). Among the  
362 FB sub-states, both treatments reduced the proportion of FB\_COL1A1, which is characterized  
363 by elevated expression of *ACTA2*, *CCN2* and *IL6*. Furthermore, BAY 11-7082 and T-5224,  
364 blunted the expression increase of *ACTA2*, *CCN2* and *IL6* within the FB\_COL1A1 substate  
365 (Supplemental Figure 10A).

366 GSOA for the DEG of cellular sub-states did not provide significant insights, likely due to the  
367 small population sizes. GSOA on the total EC population at t = 3h, revealed overexpression  
368 of functions indicative of development, cell junction organization, cell-cell contact, adhesion,  
369 differentiation, cornification, and keratinization (Figure 8B; Supplemental Figure 11). The  
370 addition of BAY 11-7082 suppressed these functions, indicating that these biological  
371 processes are largely controlled by NF-κB signaling. Twenty four of the hundred most  
372 significantly affected EC genes by each treatment (FDR<0.01) were commonly affected by  
373 BAY 11-7082 and T-5224 (Supplemental Figure 10B).

374 The two *COL1A1* expressing EC sub-states (EC\_COL1A2 and EC\_COL6A2) showed a  
375 dynamic and pronounced expression increase of *KRT5*, *KRT14*, *KRT17*, *KRT18*, *KRT19*,  
376 indicative of ongoing differentiation, keratinization, and cornification. Furthermore, they  
377 showed increased expression of genes linked to development (*SOX9*), senescence (*SOX4*),  
378 Notch signaling (*HES4*), and EMT (i.e. *COL1A1*, *TGFB1*, *CCN2*, *ELN*, *ACTA2*, Figure 8C). In  
379 cluster "EC\_COL1A2", treatment with BAY 11-7082 prevented the increase of all detected  
380 keratins, whereas T-5224 blunted the expression increase of *KRT8*, *KRT17*, *KRT18*, and –  
381 19; Figure 8C). The dominant *TP63* expressing basal EC sub-states (e.g. "EC\_KRT18")  
382 exhibited relatively stable keratin expression (Supplemental Figure 10C) and keratin

383 expression was not markedly affected by the treatments. Hence, inhibition of IKK/NF- $\kappa$ B and  
384 c-FOS/AP-1, modulated FB and EC phenotypes, as judged by their effect on population  
385 composition, biological pathway activities, and keratin profiles. The culture and treatment  
386 effects were restricted to certain cell states and were, thus, context dependent.

### 387 **IPF patient lung-derived FB populations express the AP-1** 388 **and NF- $\kappa$ B signatures that were observed in the early** 389 **stages of NHLF and NHBE co-cultured cells**

390 To assess whether AP-1 and NF- $\kappa$ B signatures that we identified in our co-culture model  
391 were also expressed in IPF patients, a module score analysis (36) was performed on the  
392 reference human IPF patient lung cell atlas (5). In a first step, the reference data set was  
393 partitioned into control lung vs. interstitial lung disease (ILD; Figure 9A). We then assembled  
394 modules of AP-1 – and NF- $\kappa$ B associated genes that showed similar expression kinetics and  
395 increased expression after 3 hours in co-culture. The AP-1 module consisted of the genes  
396 *JUN*, *JUNB*, *FOS*, *FOSL2*, *ATF3*, *ATF4*, and *ATF5*, and the NF- $\kappa$ B module comprised *NFKB1*,  
397 *NFKB2*, *REL*, *RELA*, and *RELB*. In addition, we examined a TNF module, consisting of 84 co-  
398 culture genes overlapping with the Hallmark gene set "TNF- $\alpha$  signaling via NF- $\kappa$ B" identified  
399 as enriched in the NHLF-CC after 3 hours (Figure 4C). Expression module analysis for all 3  
400 tested gene sets showed highest expression scores for the "HAS1 High FB", as well as for the  
401 "PLIN2+ FB", which are both more abundant in ILD lungs compared with control lungs (Figure  
402 9B; Supplemental Figure 12).

### 403 **Interactome-based analysis identifies potential ligand-** 404 **receptor binding pairs specific to EC-FB interactions**

405 Our results obtained thus far indicate that cell-to-cell contact between EC and FB is required.  
406 To identify potential ligand-receptor binding pairs involved in the activation of NHLF we

407 performed interactome analysis of the sc-RNA-seq data of the vehicle-treated cells at t = 0h  
408 using CellPhoneDB (37). To specifically identify EC-FB pairings, the dataset was cleared of  
409 those combinations that also occurred between EC-EC and FB-FB. Interactions between  
410 cells and matrix (integrins) were also removed since the pairing process takes place prior to  
411 significant ECM deposition. The generated interaction networks for FB and EC ligand-  
412 receptor pairs were visualized with Cytoscape ((38); Figure 10). As central mechanisms by  
413 which FB can interact with EC our analysis implies growth factor-driven signaling through  
414 fibroblast growth factor (FGF) -, bone morphogenic protein (BMP) -, activin -, and receptor  
415 tyrosine-protein kinase erbB-3 (ERBB3) receptors, respectively, as well as the frizzled class  
416 of receptors, and the Leucine-rich repeat-containing G-protein coupled receptor 4 (LGR4) co-  
417 receptor for Wnt signaling proteins. Semaphorin-7A (*SEMA7A*) and *SEMA4A*,  
418 besides TNF receptor superfamily member 9 (*TNFSF9*), are plasma membrane localized and  
419 could, hence, require cell-cell contact to engage their receptors (Figure 10). In addition to the  
420 *SEMA7A*> Plexin-C1 (*PLXNC1*) and *SEMA4A*>*PLXND1* pairs that were identified at t = 0h,  
421 *SEMA3A*, *SEMA3B*, and *SEMA4B* showed increased and NHBE-CC-specific expression at  
422 t = 3h and could potentially interact with their corresponding plasma membrane-localized  
423 plexin receptors, or neuropilin co-receptors (i.e. *NRP2*) expressed on NHLF-CC  
424 (Supplemental Table 1). Therefore, EC-driven effects on FB may potentially involve, in  
425 addition to TGF- $\beta$ -, Wnt-, and cytokine-mediated responses, specific semaphorin-mediated  
426 signaling via plexin receptors.

427

## 428 **Discussion**

429 Dysregulated epithelial–mesenchymal interactions have been proposed as a disease–causing  
430 mechanism of IPF (3). However, there has been limited progress in developing an integrated  
431 understanding of the origin of the disease, as well as of central mechanisms driving  
432 pathological epithelial remodeling and ECM expansion in lung fibrosis patients. We developed  
433 an in vitro co–culture model using primary NHBE and NHLF cells that allowed us to investigate  
434 the dynamic molecular interactions between both cell types. Surprisingly, over a period of  
435 several days, co–culturing both cell types resulted in the effective differentiation of NHLF into  
436 fibrotic mesenchymal effector cells, whereas NHBE initiated functions related to development,  
437 cell–cell contact, differentiation, keratinization and eventually EMT. Notably, only epithelial cell  
438 types effectively triggered the differentiation of co–cultured FB into  $\alpha$ –SMA–positive  
439 myofibroblast in our high–content assay and specifically lung NHBE were the most effective  
440 in this assay.

441 Remarkably, the fibrotic process proceeded autonomously and without addition of external  
442 pro–fibrotic stimuli, e.g TGF– $\beta$ 1, which is consistent with published data using similar  
443 conditions (11). However, when EC were used in 3D co–cultures, they seemed to rather  
444 dampen and not promote the activation of co–cultured FB (10, 12, 16). We also did not observe  
445 an increase in COL1/ $\alpha$ –SMA when EC–FB interaction was studied in “EC culture medium”,  
446 but the decreased tubulin content suggested that NHLFs did not tolerate these culture  
447 conditions well (data not shown). Hence, specific culture conditions can influence the outcome  
448 of epithelial–mesenchymal interactions, which is in line with previous reports (12–14, 16).

449 The fact that both cell types must be seeded in the same compartment suggests direct cell–  
450 cell contact as part of the driving mechanism. In the healthy lung, direct cell–to–cell contact  
451 between airway EC and FB is normally prevented by the basement membrane. However, in  
452 IPF, the extensive breakdown of lung architecture in areas of active disease may allow the

453 establishment of uncontrolled contacts between the EC and FB, making it plausible that these  
454 two cell types directly influence each other and drive disease progression (5, 15, 39). Our  
455 interactome-based analysis has identified several potential ligand-receptor pairs that may  
456 mediate specific cell-to-cell signaling between EC and FB and these will be evaluated in  
457 future studies. Semaphorin signaling, as one of the possible contributors, has not been  
458 thoroughly explored in the context of lung fibrosis and may provide an opportunity as novel  
459 drug target. Semaphorins play a critical role in angiogenesis, but have also been reported to  
460 modulate tumor microenvironment and to influence the biology of cancer-associated FB (40).

461 As revealed by our sc-RNA-seq study the commercially available NHBE preparations that  
462 were used in the co-culture were significantly enriched for cells with a basal EC signature  
463 already at the time of seeding. Since the inflammatory and the subsequent fibrogenic response  
464 of the FB was initiated with almost immediate effect, it can be speculated that the observed  
465 effects were indeed promoted by EC with a basal cell signature. This would be in line with very  
466 recent literature demonstrating the profibrotic propensity of airway-derived basal cells (41).  
467 By applying two independent correlation analyses we found that fractions of the seeded EC  
468 population adopted phenotypes resembling the “KRT5-/KRT17+ EC” – and “Proliferating EC”  
469 populations, as identified in the reference IPF patient lung data set (5). However, the cells with  
470 the gene expression profile resembling the “KRT5-/KRT17+ EC” cells appear to arise only  
471 over a 50h cultivation period by differentiation (possibly by undergoing EMT), presumably from  
472 the predominant basal cell states EC\_FBXO2 and EC\_KRT18 and, possibly, by expansion of  
473 the EC\_COL1A2 and EC\_COL6A1 states. Thus, the “KRT5-/KRT17+ EC” are unlikely to drive  
474 the fibrogenic response of the FB and, hence, their role remains to be determined.

475 IPF is characterized by a high temporal and spatial heterogeneity (4-7, 9, 42, 43). Lack of  
476 synchrony complicates the drawing of conclusions on the ontology of the disease. In addition,  
477 the mechanisms driving IPF progression remain incompletely defined. In contrast, the  
478 synchronized progression of the cellular responses in our co-culture model allows a temporal  
479 resolution of the underlying processes. The phenotypic shift of co-cultured NHLF towards a

480 myofibroblast phenotype was preceded by processes which showed inflammatory  
481 characteristics and involved the early activation of the “rapid-acting” transcriptional regulators  
482 STAT3, NF- $\kappa$ B and AP-1 as revealed by our GSOA and differential expression analysis. Our  
483 correlation-based analyses revealed highest similarities of the queried FB population at the  
484 three hours timepoint to fibrotic mesenchymal populations such as the “HAS1 High FB” and  
485 “PLIN2+ FB” of the reference atlas. Furthermore, our module score analysis using AP-1-,  
486 NF- $\kappa$ B-, and “TNF- $\alpha$  signaling via NF- $\kappa$ B” gene signatures, achieved the highest expression  
487 scores for the “HAS1 High FB”, as well as for the “PLIN2+ FB” of the IPF lung reference atlas.  
488 Thus, the signaling network in co-cultured NHLF early after the onset of culture and certain  
489 FB populations in patient lungs appear to be very similar and both are dominated by AP-1  
490 and NF- $\kappa$ B activity. Building on the temporal resolution of our model, it could be hypothesized  
491 that in patients the “HAS1 High FB” and the “PLIN2+ FB” cell populations may represent  
492 transition states towards terminally differentiated ECM-generating myofibroblast.

493 The expression of *JUN* (coding for c-JUN) was increased in many human fibrotic diseases  
494 (44) and strong expression of *FOSL2* (encoding FRA-2) was observed in human samples of  
495 pulmonary fibrosis associated with vascular remodeling (45). Furthermore, in lung biopsy  
496 sections from IPF patients, c-JUN and c-FOS were detected in a subset of FB in fibrotic areas  
497 in lungs of IPF patients (46). The systemic induction of c-Jun in mice lead to the development  
498 of multi-organ fibrosis with strong lung involvement (44), whereas ectopic expression of  
499 *FOSL2* resulted in lung fibrosis, associated with vascular remodeling of the pulmonary artery  
500 (45). Thus, activation of both c-FOS/AP-1 and c-JUN/AP-1 causes pulmonary fibrosis.  
501 Applying the c-FOS/AP-1 inhibitor T-5224 during the inflammatory phase (from t = 0h – 18h)  
502 of our model showed that c-FOS/AP-1 also played an essential and early role in the pro-  
503 fibrotic differentiation of co-cultured NHLF in myofibroblast. In addition, inhibition of IKK/NF-  
504  $\kappa$ B by BAY 11-7082, during the first 18h of co-culture completely suppressed  $\alpha$ -SMA and  
505 COL1 production in co-cultured NHLF. Thus, in our model, the activation of the transcriptional  
506 regulators NF- $\kappa$ B and AP-1 occurred very early and was causative of the phenotypic shift of

507 NHLF towards a myofibroblast phenotype. This is in line with recently published findings which  
508 revealed that TGF- $\beta$  receptor signaling and STAT3 signaling pathways are downstream of  
509 AP-1 transcription factor c-JUN (46).

510 Genomic analysis of sorted NHBE at different time points of co-culture identified hallmark AP-  
511 1 and NF- $\kappa$ B activity. Pharmacological intervention using c-FOS/AP-1 and IKK/NF- $\kappa$ B  
512 inhibitors, T-5224 and BAY 11-7082, respectively, modulated the phenotypes of specific  
513 epithelial clusters, as judged by their effects on keratin profiles, cell state frequency, and  
514 biological function. Particularly pronounced in the *COL1A1* expressing EC states (e.g.  
515 "EC\_COL1A2"), the effects of IKK/NF- $\kappa$ B inhibition were observed already at t = 3h,  
516 suggesting direct and context-dependent transcriptional control of NF- $\kappa$ B on epithelial keratin  
517 expression, as well as functions associated with e.g. keratinization, differentiation and cell-  
518 cell interaction.

519 The cells in the described co-culture lung fibrosis assay system showed aspects of phenotype  
520 changes and genomic hallmark signatures that were found in cells from IPF patient lungs.  
521 However, the known limitations of 2D culture conditions, including the high stiffness of the  
522 culture vessel surface that might artificially influence the cell behavior, still apply. Furthermore,  
523 although the IPF patient-derived fibroblasts were examined without detecting major  
524 differences compared to NHLF, the same might not be true for IPF-derived lung EC. In  
525 particular patient-derived basal EC should be considered in future studies, because they were  
526 not investigated here due to the lack of availability.

527 In summary, we described here the development and thorough characterization of an in vitro  
528 lung fibrosis model and demonstrate that it i) works autonomously, i.e no added pro-fibrotic  
529 stimulants such as TGF- $\beta$  are required ii) depends on direct EC-FB contact iii) develops into  
530 a fibrotic condition progressively and synchronously and iv) leads to dynamic phenotype  
531 changes of EC and FB that are very similar to cells associated with progressive fibrogenic  
532 changes in IPF patients. Furthermore, using this model, we identified NF- $\kappa$ B as a critical

533 component in both the culture-induced phenotypic changes in EC and the differentiation of  
534 FB to myofibroblast. Inhibition of NF- $\kappa$ B, may have potential to suppress both the fibrotic foci  
535 and the appearance of aberrant EC in IPF patients.

536

537

538

## 539 **Methods**

540 A detailed description of all methods and material used in this study can be found in the  
541 Supplementary Material section.

### 542 **Co-culture and protein quantification assay**

543 *NHLF/NHBE co-culture:* NHLF were resuspended in FGM-2 growth medium (Lonza), mixed  
544 with an equal volume of NHBE in BEGM growth medium (Lonza), and seeded into a 96-well  
545 flat-bottom culture plate (Corning) at a density of 20'000 and 1'600 cells per well, respectively.  
546 Compound dilution series were added, and the co-culture was incubated for 18h at 37°C/5 %  
547 CO<sub>2</sub>. The medium was then replaced with FBM (Lonza) containing 0.1 % fat BSA and the  
548 compounds at the indicated concentrations. The medium was supplemented with 100 units/ml  
549 penicillin, 100 µg/ml streptomycin for the entire duration of the culture. If not indicated  
550 otherwise the co-culture was incubated at 37°C/5 % CO<sub>2</sub> for 96 h.

551 *Lysis of cells for MS/MS analysis:* The cell culture medium was removed, and cells were lysed  
552 on ice. Samples were prepared for MS/MS and surrogate tryptic peptides were chosen for  
553 detection of COL1 (COL1A1), α-SMA (ACTA2) and tubulin (TBA1A1) as described (19). Peak  
554 areas for COL1A1 and ACTA2 were normalized by dividing by TBA1A1 peak area.

### 555 **Gene expression analysis by bulk RNAseq**

#### 556 **Library preparation, sequencing, and data processing**

557 Cells were isolated by FACS and lysed in RL Lysis Buffer from NORGEN Single cell RNA  
558 purification kit (Norgen). Total RNA was isolated using NORGEN Single cell RNA purification  
559 kit including a DNase treatment (Norgen), according to the manufacturer's instructions. RNA-  
560 Seq libraries of poly(A)-selected RNA were isolated from 50 ng of total RNA using NuGen

561 Universal Plus mRNA–Seq kit (NuGen) according to the manufacturer’s recommendations.  
562 For the sequencing runs the samples were randomized across two flow cells and sequenced  
563 using NextSeq 500/550high Output Kit v2.5 with 75 Cycles (Illumina). Sequenced reads were  
564 aligned with STAR (v2.5.4b) to the human reference genome (GRCh38) and gene–wise  
565 alignments were quantified with featureCounts using Ensembl gene annotations. See  
566 Supplemental Methods for further information. All samples passed quality control.  
567 Differentially expressed genes were evaluated using edgeR(47), where genes with an FDR <  
568 0.05 and a linear fold change (linFC) > 1.5 were considered significant.

## 569 **Sc–RNA–seq**

### 570 **Library preparation and sequencing**

571 Cells were resuspended in ice–cold FACS buffer (autoMACS Rinsing Solution, Miltenyi  
572 Biotec) supplemented with 0.5% fatty acid–free bovine serum albumin (Calbiochem) to  
573 approximately  $1 \times 10^6$  cells/ml. Time point 0h cells were combined directly in ice cold FACS  
574 buffer. Average viability of all samples taken into single cell sequencing was 92.5% (88.4% –  
575 94.8%). Cell suspensions were immediately loaded on a Chromium Next GEM Chip K (10X  
576 Genomics) using the Chromium Next GEM Single Cell 5’ Kit v.2 reagents according to the  
577 manufacturer’s recommendations. Final libraries were pooled and sequenced to an average  
578 depth of >42’000 reads per cell on an Illumina NovaSeq system by Genewiz (Germany).

### 579 **Sc–RNA–seq preprocessing**

580 Processing of raw data, filtering, normalization, and graph–based clustering are described in  
581 detail in the Supplemental Methods. For labeling of clusters, we used a Wilcoxon rank sum  
582 test implemented in Seurat’s FindConservedMarkers function to determine cluster–specific  
583 marker genes independent of timepoint or treatment.

### 584 **Sc–RNA–seq analysis**

585 Augur (48) was used to predict culture time effect for each cell cluster. Pair-wise differential  
586 expression across timepoints or treatments was performed using MAST (35) implemented in  
587 Seurat after merging all EC into one group. Expression testing was performed on the log-  
588 normalized counts. Results were filtered based on a Bonferroni-adjusted p-value of less than  
589 0.1.

## 590 **Comparison with a human lung cell data set**

591 Curated data of control and fibrotic lung cells as published by Habermann et al (5) was  
592 downloaded (GSE135893). A subset of the data was generated to include relevant cell types  
593 (mesenchymal and EC from IPF patient or control donor (smoker reject lungs). This  
594 “reference” set of cells was re-processed via the default SCTransform workflow in parallel to  
595 the subset of vehicle-only cells from the co-culture assay (“query”). Mappings of relevant  
596 Habermann (5) cell identity labels to proposed consensus re-annotation of integrated single-  
597 cell transcriptomic human lung cell atlas (49) are listed in Supplemental Table 11. For each,  
598 reference and query, we determined the 8’000 most variable genes and determined the union  
599 of overlapping variable genes that were mutually expressed in the reference and query data.  
600 Average per-cell log expression was calculated for each cluster and used to determine the  
601 reported Pearson correlations.

602 For the implementation of SingleR (34) we computed the top-100 positive marker genes for  
603 each reference cluster using a Wilcoxon rank sum test. The query cells were individually  
604 profiled against this reference model using SingleR default settings. The per-cell gene module  
605 co-expression scores were calculated using Seurat’s “AddModuleScore” function using an  
606 approach implemented in (36).

607

## 608 **Statistics**

609 Calculations were performed using Microsoft Excel. Statistical analysis was performed using  
610 GraphPad Prism 6 or R 3.6.0 (R Core Team (2019). R: A language and environment for  
611 statistical computing. R Foundation for Statistical Computing, Vienna, Austria. URL  
612 <https://www.r-project.org/>). Data were analyzed using ANOVA followed by post hoc tests,  
613 according to the experiment (see figure legends for details). A P value < 0.05 was considered  
614 significant.

## 615 **Study approval**

616 Formalin-fixed, paraffin-embedded sections of human lungs with IPF or controls (obtained  
617 from areas distal to lung cancer resection) were obtained from extra material from subjects  
618 undergoing surgical lung biopsy for their respective condition at the University of Michigan.  
619 Samples were de-identified prior to receipt and thus did not require patient consent to obtain.

## 620 **Data and materials availability**

621 All data needed to evaluate the conclusions in the paper are present in the paper and/or the  
622 Supplementary Materials. RNA-seq data were deposited in the ArrayExpress database at  
623 EMBL-EBI ([www.ebi.ac.uk/arrayexpress](http://www.ebi.ac.uk/arrayexpress)) under accession numbers E-MTAB-11832 and E-  
624 MTAB-11847. The R command line functions and arguments that were specified for the  
625 analysis of the RNA-seq and sc-RNA-seq data are listed in Supplemental Table 12.

## 626 **Author contributions**

627 AS, RL, SLC, FLG, MS, PB, BR, JR, JHB, PR, BS, DF, RS, MBR, MB, ON, UL, and PS  
628 contributed to experimental work, data analysis and/or interpretation. PS, FLG, MS, PB, JR,  
629 JHB, RS, MBR, and UL designed and led implementation of experiments, analyzed data and  
630 supervised experimental activity. PS conceived and conceptualized the study. ESW provided  
631 human patient lung biopsy specimens for ISH analysis. The manuscript was drafted by PS

632 and ON and was reviewed and edited by all other authors. All authors reviewed and approved  
633 the final manuscript as submitted.

## 634 **Competing financial interests**

635 All authors, except ESW are current or former employees of Idorsia Pharmaceuticals Ltd. The  
636 authors have declared that no conflict of interest exists.

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643

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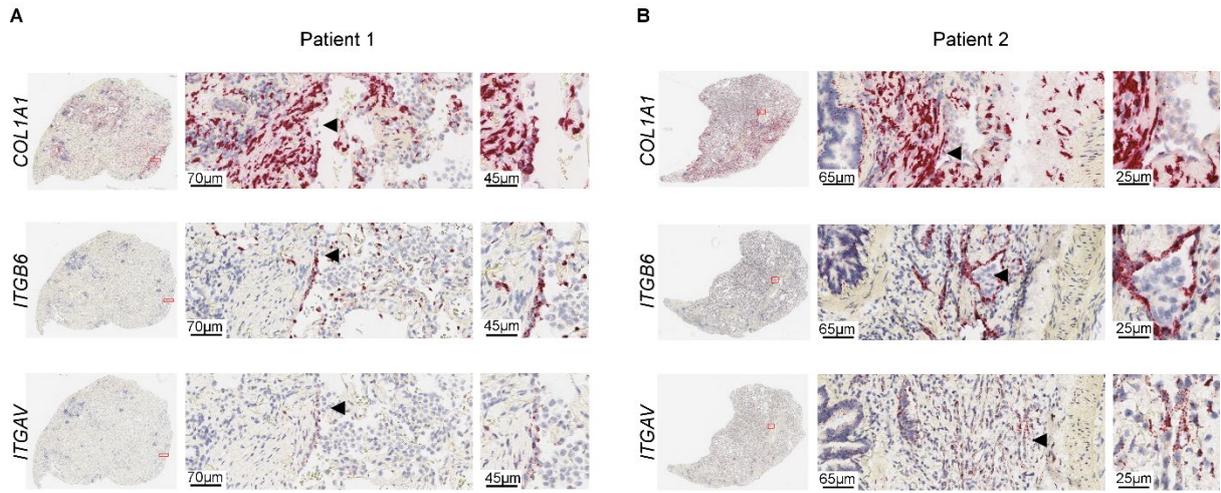
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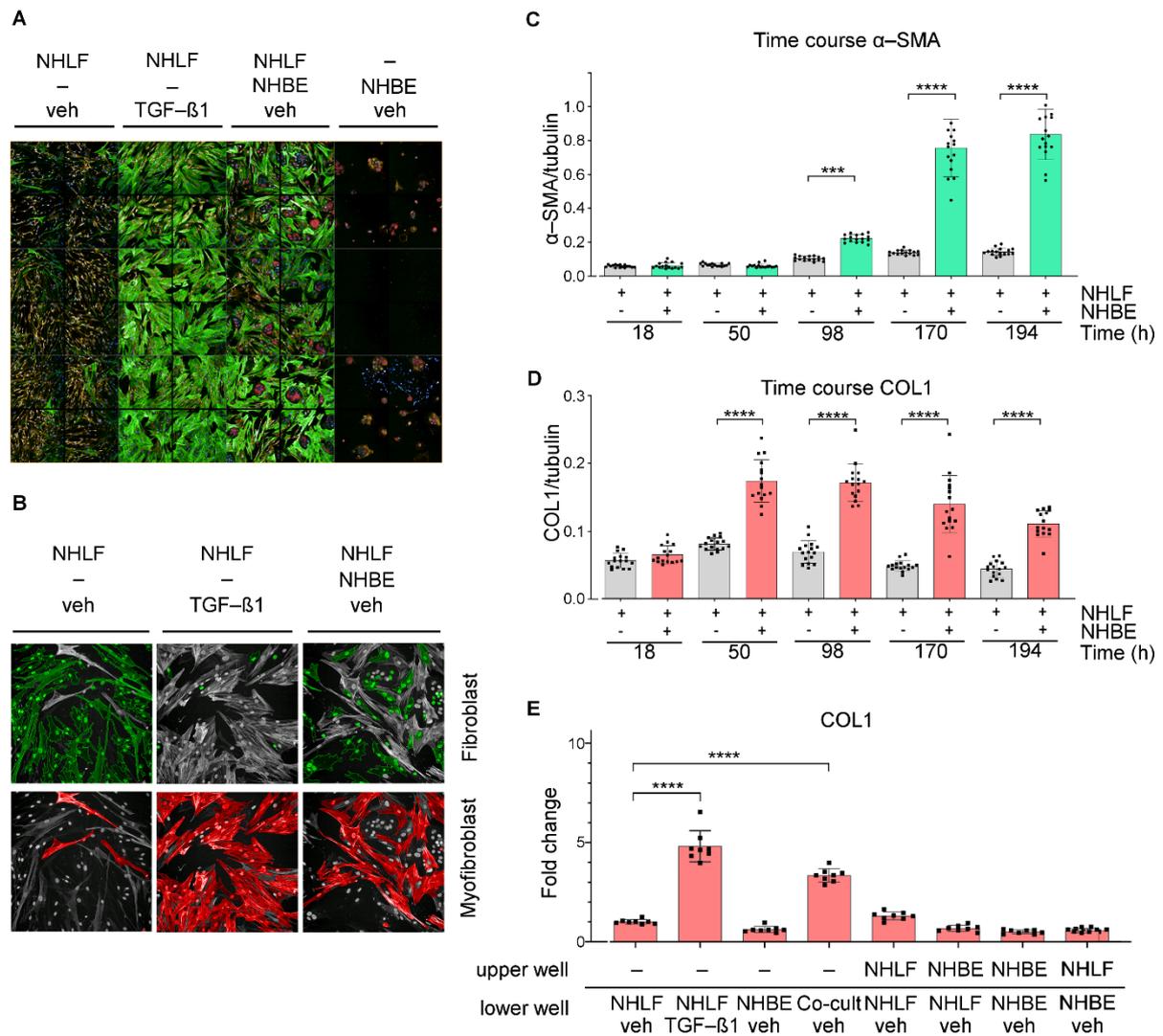
780 **Figure legends**



781

782 **Figure 1. Epithelial and mesenchymal cells are localized in close proximity in lung**  
783 **sections of IPF patients.** Expression of the mesenchymal marker gene *COL1A1*, as well as  
784 the epithelial marker genes *ITGB6* and *ITGAV*, as detected by RNAscope ISH on formalin–  
785 fixed, paraffin–embedded lung sections of IPF patient 1 (A) and 2 (B). Boxed area in the low  
786 magnification lung section overviews in the left image indicates the enlarged region. The  
787 arrowheads point to the approximate same location in close consecutive tissue sections.  
788 Representative images of two out of three IPF patients are shown.

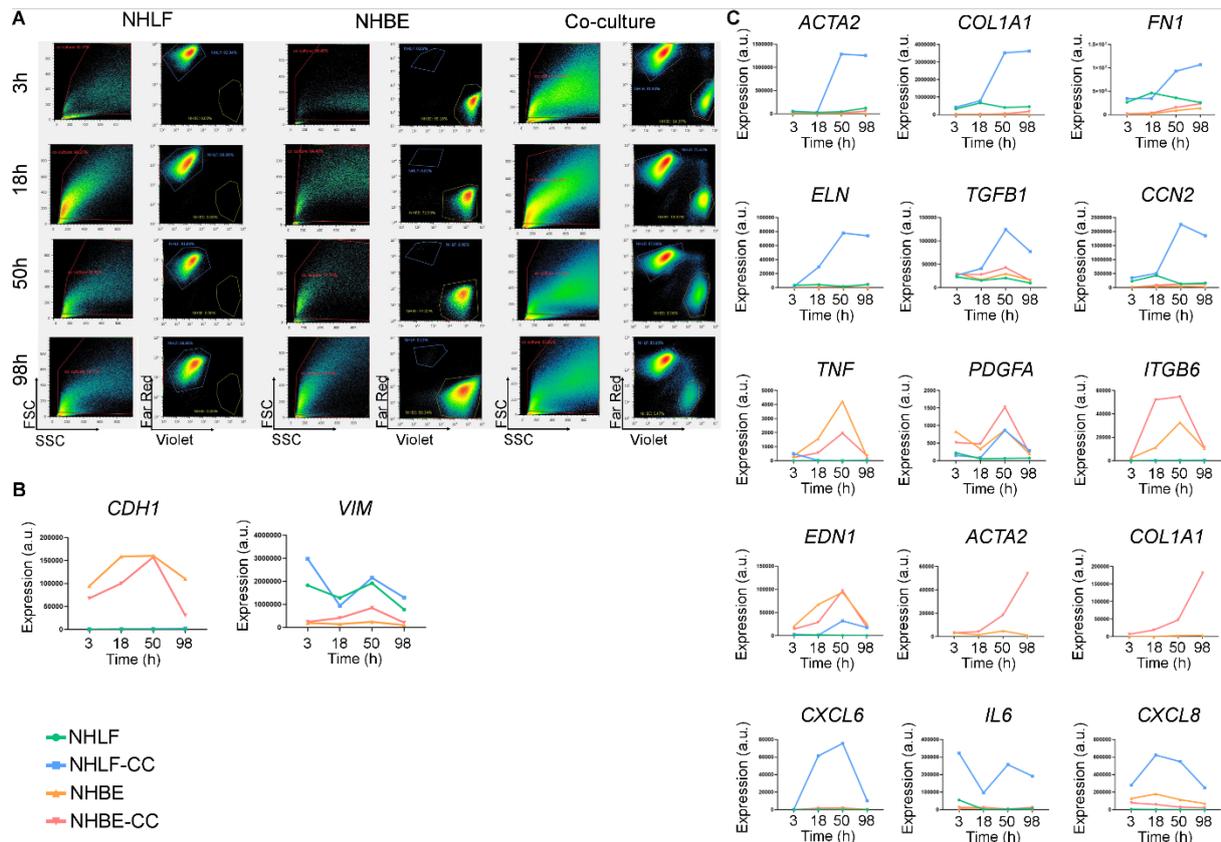
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792 **Figure 2. EC induce NHLF-to-myofibroblast transformation by cell-cell contact. (A)**  
 793 High-content confocal microscopy images of NHLF cells, NHLF cells stimulated with TGF- $\beta$ 1  
 794 (5 ng/ml), NHLF cells co-cultured with NHBE, and NHBE cells cultured alone are shown.  
 795 NHBE cells were pre-stained with CellTracker Deep Red. Nuclei were stained with DAPI, and  
 796  $\alpha$ -SMA staining was performed using an anti- $\alpha$ -SMA antibody. **(B)** 5 days after seeding cells  
 797 were classified into epithelial, fibroblast and myofibroblast, respectively, by a trained classifier  
 798 (see Methods for details). Classified fibroblasts and myofibroblasts are colored in green and  
 799 red, respectively. **(C)** Time-course of  $\alpha$ -SMA and **(D)** COL1 accumulation. 18h, 50h, 98h,  
 800 170h and 194 h after seeding  $\alpha$ -SMA and COL1 were quantified by MS/MS and plotted,  
 801 normalized to tubulin, against time (h). A one-way ANOVA with Tukey's multiple comparison  
 802 test was used.  $N = 16$  for each condition. **(E)** COL1, normalized to tubulin, was detected by  
 803 MS/MS after 98h in trans-well cell cultures of NHBE and NHLF seeded either together in the  
 804 lower chamber or individually in the upper or lower chamber in presence of 5 ng/ml TGF- $\beta$ 1  
 805 or vehicle as indicated.  $N = 8$  for each condition. A one-way ANOVA with Dunnett's multiple  
 806 comparison test was used. Bars indicate mean  $\pm$  SD. \*\*\* $p \leq 0.001$ , \*\*\*\* $p \leq 0.0001$ .

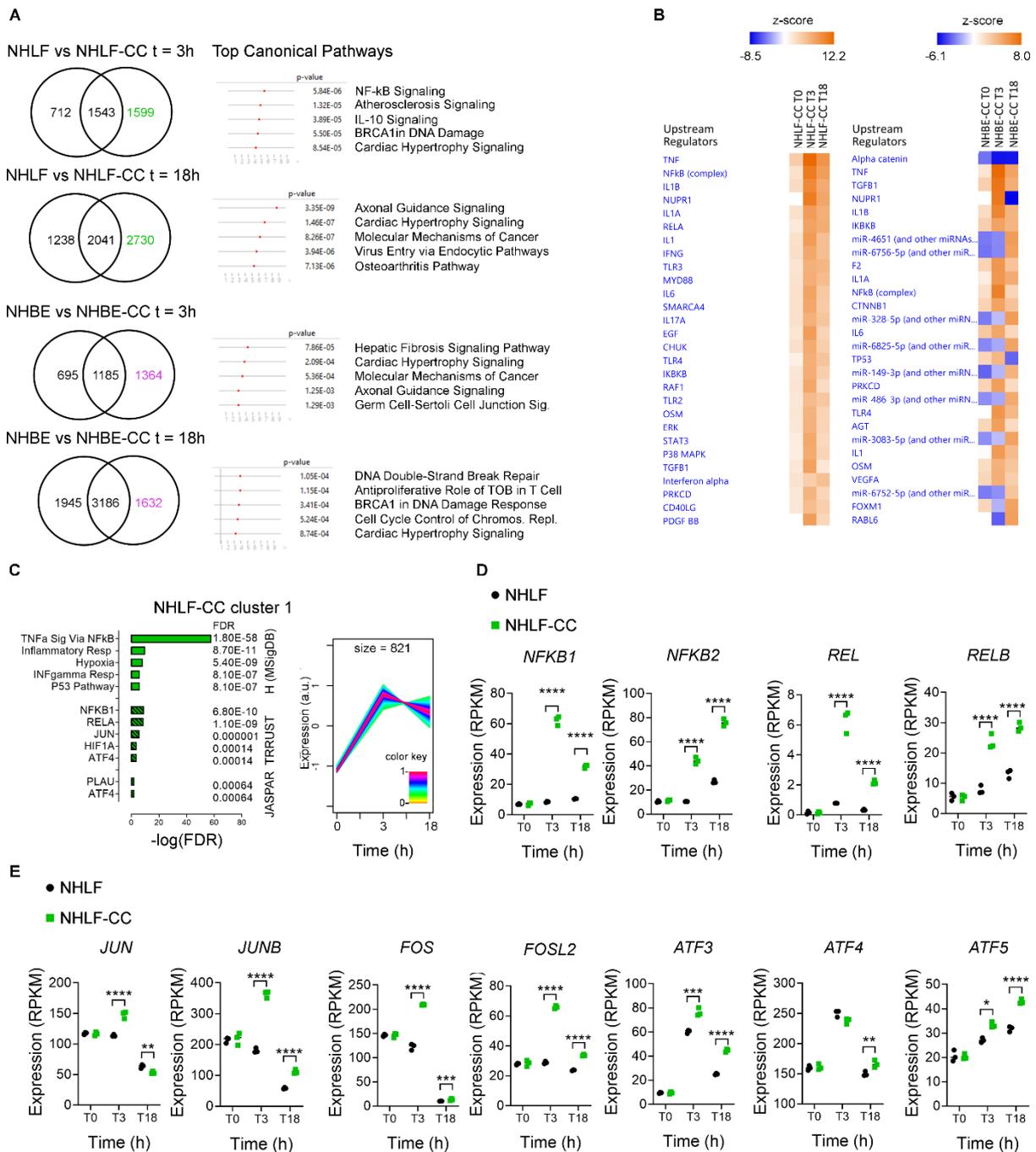
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810 **Figure 3. Pro-inflammatory and pro-fibrotic genes are induced in co-cultured NHLF**  
 811 **and NHBE cells. (A)** For each condition, NHLF cells were pre-stained with CellTrace Far Red  
 812 and the NHBE cells with CellTrace Violet, seeded, either separately or in combination as  
 813 depicted, at  $t = 0$ h and then FACS sorted, followed by lysis at  $t = 3$ h, 18h, 50h, and 98h. Left  
 814 hand charts show scatter plots based on forward (FSC) and side scattering (SSC) profiles.  
 815 Red line indicates gating threshold. Right hand panels: Gated cells were sorted on CellTrace  
 816 Far Red and CellTrace Violet staining intensities, respectively. **(B)** Selected genes are shown  
 817 to address identity, inflammatory and profibrotic gene expression changes of the involved cell  
 818 types over time. Expression level of *CDH1* and *VIM* **(C)** *ACTA2*, *COL1A1*, *FN1*, *ELN*, *TGFB1*,  
 819 *CCN2*, *TNF*, *PDGFA*, *ITGB6*, *EDN1*, *CXCL6*, *IL6* and *CXCL8* in either monocultured NHBE  
 820 and NHLF or co-cultured NHBE (NHBE-CC) and NHLF (NHLF-CC). Relative expression  
 821 levels, as determined by qRT-PCR and depicted as arbitrary units (a.u.) are plotted vs time  
 822 (h). The experiment was performed once with  $n = 2-3$  replicates per sample.

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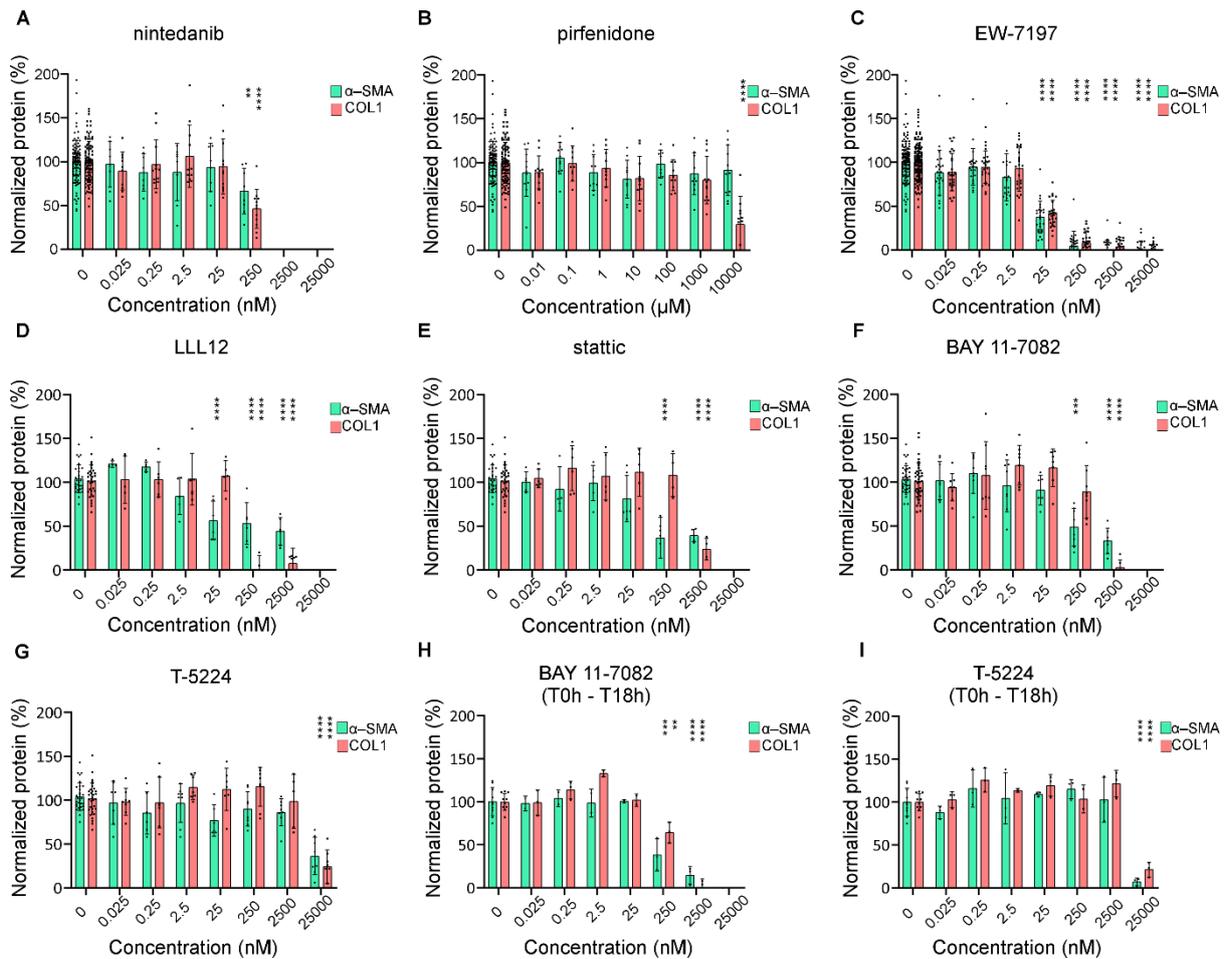


825

826 **Figure 4. Early gene expression changes reveal co-culture-induced NF-κB and AP-1**  
 827 **gene expression signature in NHLF and NHBE. (A)** Venn diagrams displaying the number  
 828 of overlapping differentially expressed genes per condition compared to t = 0h (FDR < 0.05  
 829 and |lnFC| > 1.5 and the top-ranked canonical pathways predicted for the co-culture specific  
 830 genes, as identified by Ingenuity pathway analysis application. **(B)** Ingenuity upstream  
 831 regulator analysis of the DEGs between co-cultured and monocultured NHLF and NHBE  
 832 (FDR < 0.05 and |lnFC| > 1.5) at t = 0h, 3h, and 18h, respectively, sorted according to the  
 833 activation z-score. **(C)** Expression kinetics and results of the GSOA of NHLF-CC cluster 1.  
 834 The comprised expression kinetics of the clustered genes is depicted as a z-score (from -1  
 835 to 1) across the time points t = 0h (T0), 3h (T3), and 18h (T18), respectively. The expression  
 836 pattern of each gene is associated with a cluster weight between 0 and 1 (according to its  
 837 match with cluster dynamics), color coded in the figure according to the inserted palette.

838 Enriched gene sets are displayed as bars representing the  $-\log_{10}(\text{FDR})$  with the  
839 corresponding FDR values. Gene expression, depicted in reads per kilobase of transcript, per  
840 million mapped reads (RPKM), of selected **(D)** NF- $\kappa$ B and **(E)** AP-1 transcription factor family  
841 members, respectively, showing gene expression increases between conditions NHLF and  
842 NHLF-CC at the time points  $t = 0\text{h}$ ,  $3\text{h}$ , or  $18\text{h}$ . Differentially expressed genes in comparison  
843 to monocultured control were evaluated using edgeR and are depicted as \* FDR  $\leq 0.05$ , \*\*  
844 FDR  $\leq 0.01$ , \*\*\* FDR  $\leq 0.001$ , and \*\*\*\* FDR  $\leq 0.0001$ . The experiment was performed once  
845 with  $n = 3$  replicates per sample.

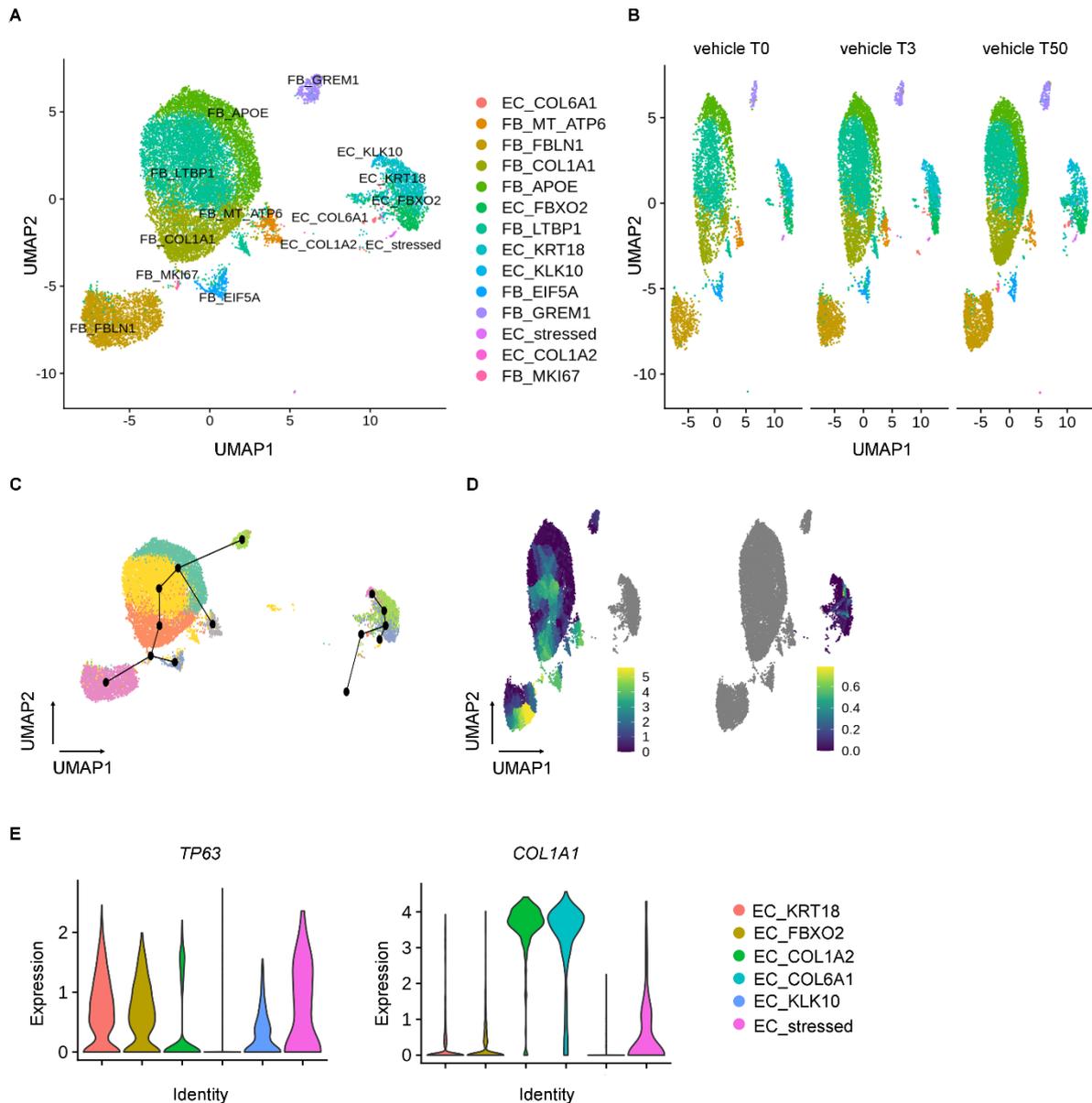
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849 **Figure 5. Pharmacological intervention attenuates  $\alpha$ -SMA and COL1 accumulation in**  
 850 **co-cultures of NHBE and NHLF cells.** NHLF and NHBE cells were seeded in full-medium  
 851 in presence of (A) nintedanib, (B) pirfenidone, (C) EW-7197, (D) LLL12, (E) stattic, (F, H) BAY  
 852 11-7082, and (G, I) T-5224, at the indicated concentration range (0.025 – 25000 nM), except  
 853 for pirfenidone (0.01 – 10'000  $\mu$ M). At t = 18h after seeding, cells were switched to starvation  
 854 medium containing compounds at the indicated concentration (A–G) or solvent (H, I) for the  
 855 remaining duration of the experiment. Lysis was performed 98h after seeding and  $\alpha$ -SMA and  
 856 COL1 were quantified by MS/MS. The mean value of the normalized analyte level of the  
 857 solvent control is given as 100%. Bars represent protein data normalized to tubulin expressed  
 858 as (%) in relation to the solvent control and show mean  $\pm$  SD;  $n = 8$  (A, D–G),  $n = 11$  (B),  $n =$   
 859  $26$  (C) and  $n = 3$  (H, I). Data for which cytotoxic effects are not excluded are omitted. A two-  
 860 way ANOVA with Tukey's multiple comparison test was used. P-values of comparison to  
 861 solvent control are depicted. \*\* $p \leq 0.01$ , \*\*\* $p \leq 0.001$ , \*\*\*\* $p \leq 0.0001$ . 0.25% DMSO was  
 862 present in all wells.

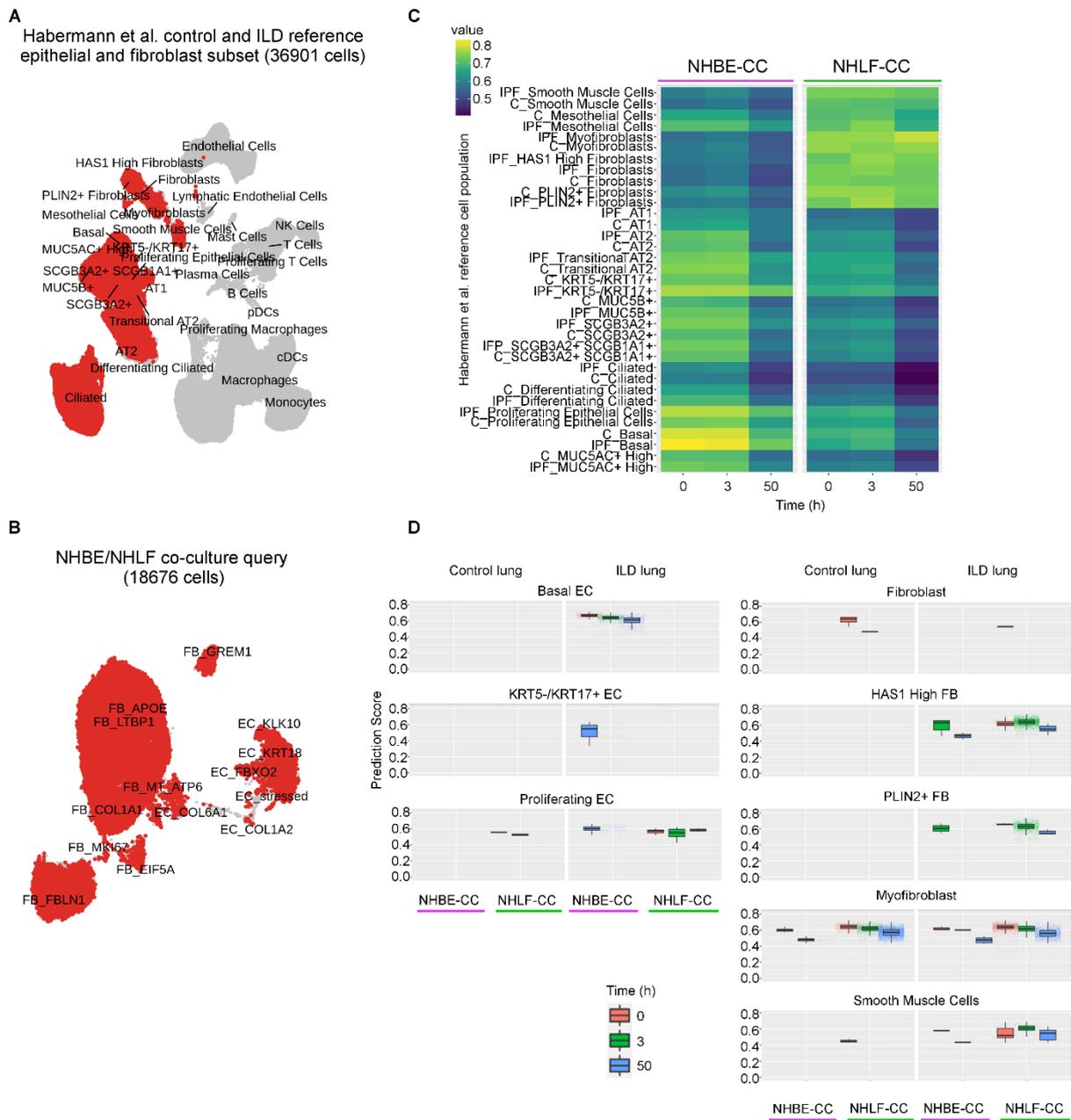
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866 **Figure 6. Single-cell landscape of NHBE and NHLF after 0h, 3h and 50h of co-**  
 867 **cultivation. (A)** Uniform Manifold Approximation and Projection (UMAP) embedding of jointly  
 868 analyzed single cell transcriptomes from 18'676 cells from vehicle control. Cells were collected  
 869 at three different time points ( $t = 0h, 3h,$  and  $50h$ ) in a single experiment. The fourteen  
 870 identified cell states were named after one of the most significant and cell state-specific  
 871 marker genes as determined by the FindConservedMarkers function implemented in Seurat.  
 872 **(B)** UMAP embedding, **(C)** Slingshot-based -, and **(D)** Monocle3-based pseudo-time  
 873 trajectories calculated from UMAP embeddings of jointly analyzed 2'011 vehicle-treated EC,  
 874 and 16'665 FB cells, including all time points ( $t = 0h, 3h,$  and  $50h$ ). **(E)** Violin plots displaying  
 875 the expression level of *TP63*, and *COL1A1*, separated by sub-state. Normalized gene  
 876 expression is depicted as  $\log(\text{counts}+1)$ .

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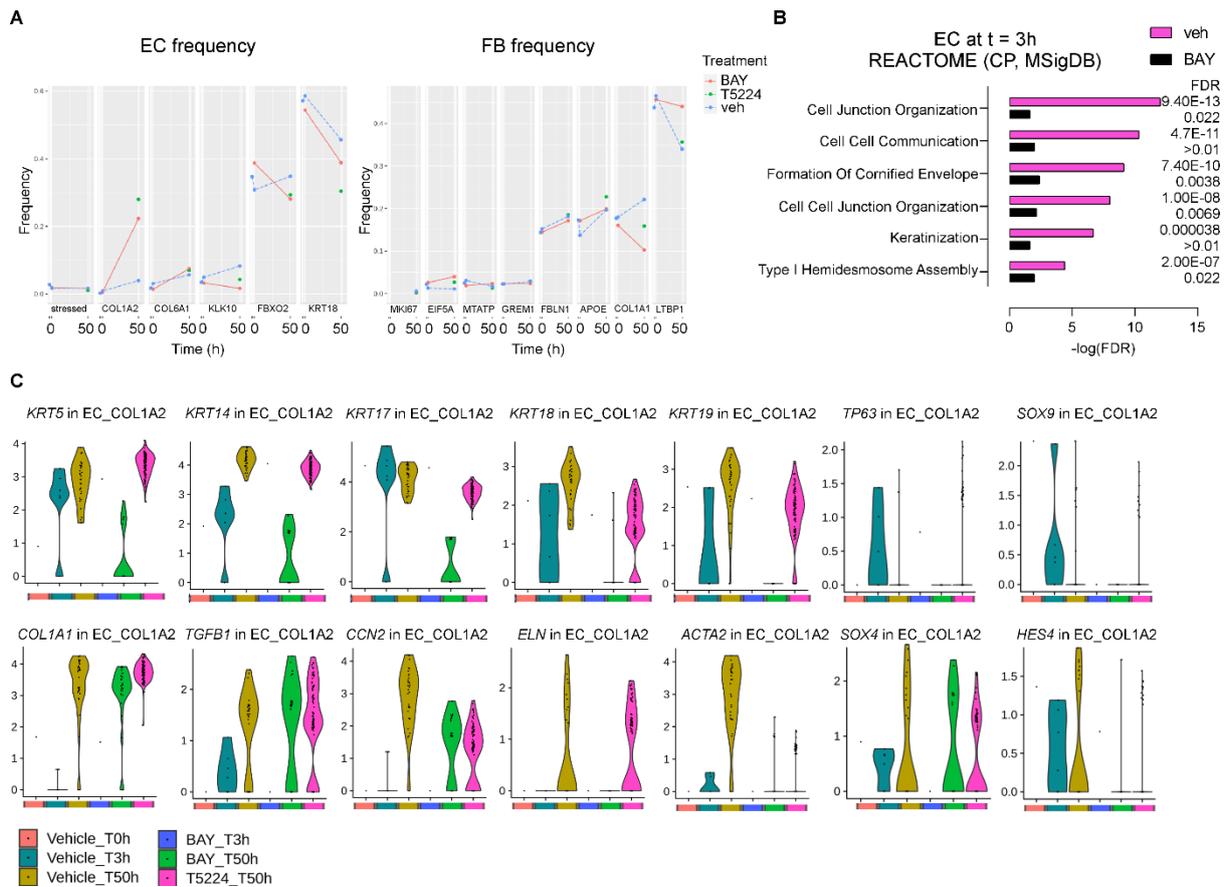


880 **Figure 7. The genomic expression signature of NHBE and NHLF in the co-culture**  
 881 **shows similarity to cell populations isolated from IPF patient lungs. (A)** UMAP  
 882 embedding of the Habermann data set. Lung mesenchymal and epithelial cell types  
 883 highlighted in red were carried forward to generate a reference data set comprising 36'901  
 884 epithelial and mesenchymal cells representing control and interstitial lung disease (ILD)  
 885 subsets. **(B)** All cells corresponding to the vehicle group time points t = 0h, 3h and 50h,  
 886 highlighted in red, were included from the co-culture system and served as the query data to  
 887 probe the reference data set. **(C)** Pearson correlations of vehicle-treated NHBE-CC and  
 888 NHLF-CC query populations with human IPF (IPF) and control (C) reference populations. **(D)**  
 889 Iterative Spearman correlations at single cell level between marker genes shared by both,

890 query — and Habermann reference population, and depicted as overall SingleR correlation  
891 prediction scores of vehicle group cell types in human lung.

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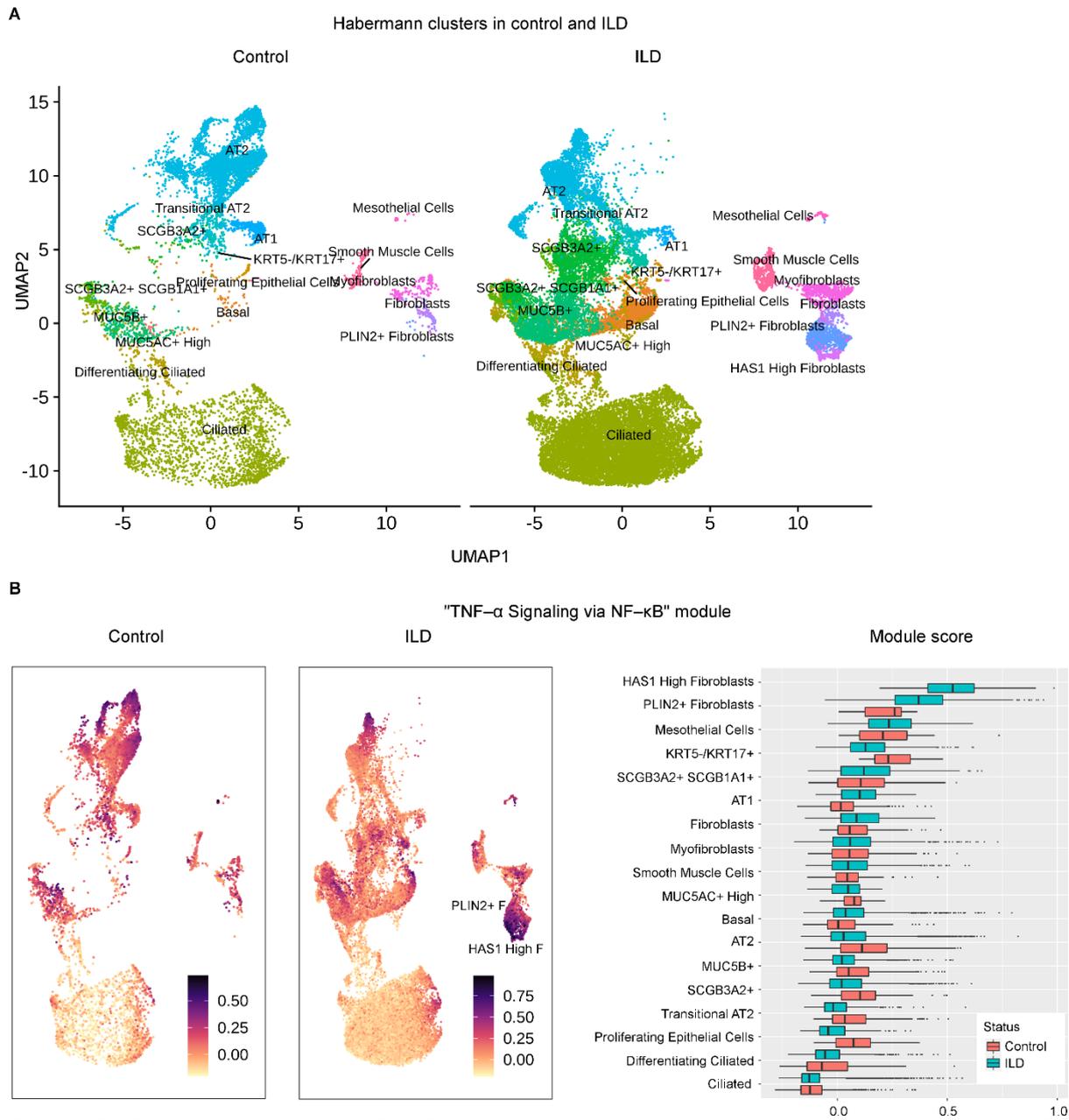
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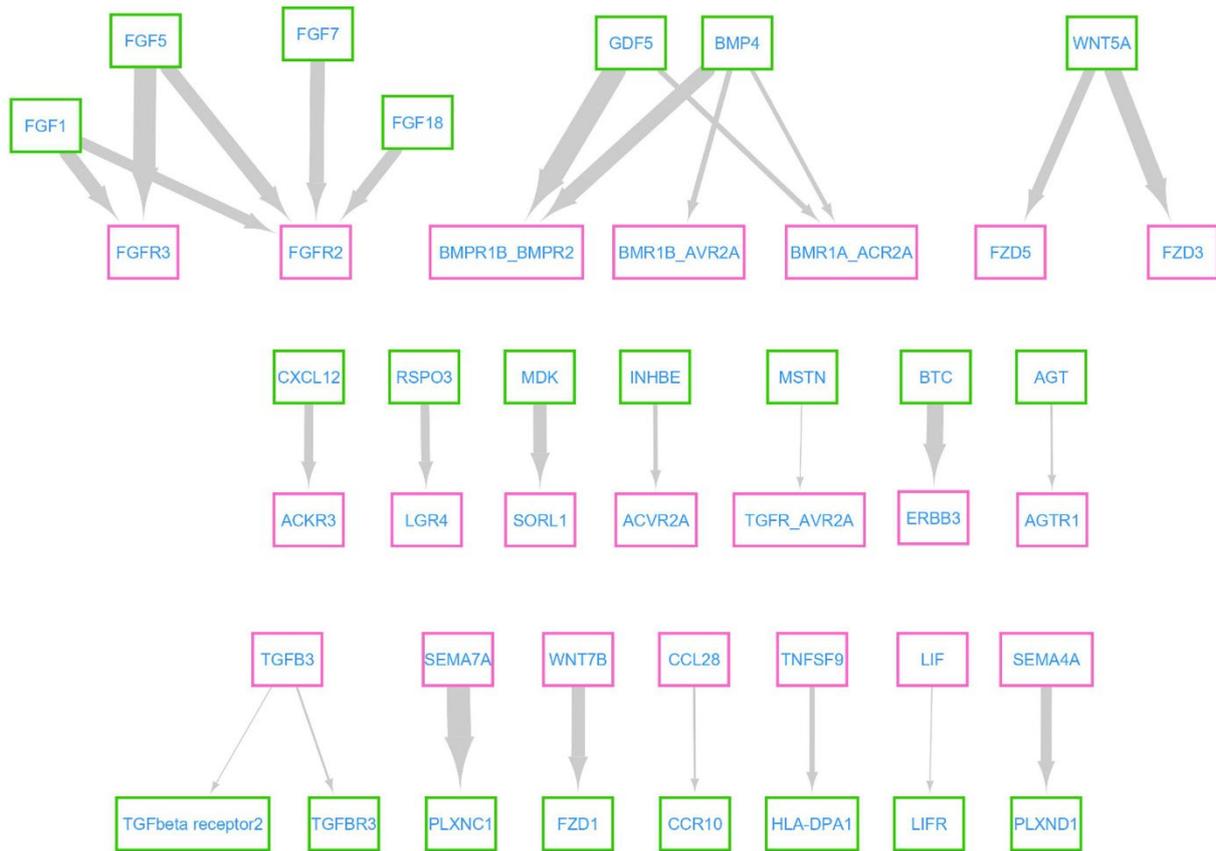
896 **Figure 8. Inhibition of c-FOS/AP-1 and IKK/NF-κB affects co-cultured epithelial cell**  
 897 **population frequencies and marker gene expression at sub-population resolution. (A)**  
 898 **Effect of treatment (i.e. 2.5 μM BAY 11-7082 (BAY), 25 μM T-5224 (T5224), and vehicle**  
 899 **(veh)) on epithelial lineage cell frequencies (y-axis) separated by EC sub-state and plotted**  
 900 **for each time point (t = 0h, 3h, and 50h; x-axis). (B) Effect of the NF-κB inhibitor BAY 11-**  
 901 **7082 (2.5 μM) applied from t = 0h, on enriched canonical pathways (CP, Reactome) in the EC**  
 902 **DEGs at time t = 3h displayed as bars representing the -log<sub>10</sub>(FDR). (C) Violin plots**  
 903 **displaying the expression level of KRT5, KRT14, KRT17, KRT18, KRT19, TP63, SOX9,**  
 904 **COL1A1, TGFB1, CCN2, ELN, ACTA2, SOX4, and HES4, separated by sample and at the**  
 905 **level of the sub-clustered cell state identifier “EC\_COL1A2”. Cells were either untreated**  
 906 **(vehicle) or treated (i.e. 2.5 μM BAY 11-7082, 25 μM T-5224) and collected in a single**  
 907 **experiment at the time points (t = 0h, 3h, and 50h). Normalized gene expression is depicted**  
 908 **as log(counts+1) for a non-statistical overview of gene-of-interest expression in the dataset.**

909



910  
 911 **Figure 9. Expression of the NF- $\kappa$ B gene module in cell populations isolated from IPF**  
 912 **patient lungs. (A)** UMAP embedding of the Habermann reference subset comprising 36'901  
 913 epithelial and mesenchymal cells divided into control and interstitial lung disease (ILD)  
 914 subsets. **(B)** Results of the module score analysis querying the Habermann reference human  
 915 IPF patient lung cell atlas with the gene expression module "TNF- $\alpha$  Signaling via NF- $\kappa$ B". The  
 916 UMAP space of control and ILD cells is overlaid with the obtained module scores for each  
 917 individual cell. Box plots display module scores (x-axis) obtained for the respective reference  
 918 cell populations (y-axis) in control (red boxes) and ILD patient-derived (turquoise boxes) cells.

919



920

921 **Figure 10. Predicted ligand–receptor pairs between FB and EC.** Ligand–receptor pairs  
 922 between FB (green box) and EC (pink box) were extracted from the sc–RNAseq data of the  
 923 vehicle–treated cells at t = 0h using CellPhoneDB and visualized with Cytoscape. The  
 924 arrowhead points to the receptor–expressing cell type. Arrow thickness correlates with the  
 925 magnitude of the product of mean ligand expression and mean receptor expression for each  
 926 cell type interaction.

927



929

930 **Tables**

931

932 **Table 1. Fraction of the co-culture query population showing the highest SingleR**933 **correlation value to the respective reference population**

	EC (vehicle)			FB (vehicle)		
	T0	T3	T50	T0	T3	T50
<b>Basal</b>	99	97	82	0	0	0
<b>Proliferating EC</b>	0	0	8	1	0	0
<b>KRT5-/KRT17+</b>	0	0	4	0	0	0
<b>PLIN2+ FB</b>	0	1	0	0	21	0
<b>HAS1 High FB</b>	0	1	0	2	50	0
<b>Myofibroblast</b>	1	1	6	94	21	98
<b>Smooth Muscle Cells</b>	0	0	0	3	7	1
<b>Total [%]</b>	100	100	100	100	100	100

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Sc-RNA-seq on vehicle-treated query cells was performed at time points t = 0 (T0), 3 (T3), and 50h (T50) and matched with SinglR against a reference population of control and pulmonary fibrosis patients. The frequency of query cells to the human reference population with the highest similarity is expressed as a percentage of total epithelial (EC) or FB (FB) cells

937