

1 **Evaluation of Gremlin-1 as a therapeutic target in metabolic**  
2 **dysfunction-associated steatohepatitis**

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32

33 **Abstract**

34 Gremlin-1 has been implicated in liver fibrosis in metabolic dysfunction-associated  
35 steatohepatitis (MASH) via inhibition of bone-morphogenetic protein (BMP) signalling  
36 and has thereby been identified as a potential therapeutic target. Using rat *in vivo*  
37 and human *in vitro* and *ex vivo* model systems of MASH fibrosis, we show that  
38 neutralisation of Gremlin-1 activity with monoclonal therapeutic antibodies does not  
39 reduce liver inflammation or liver fibrosis. Still, Gremlin-1 was upregulated in human  
40 and rat MASH fibrosis, but expression was restricted to a small subpopulation of  
41 COL3A1/THY1<sup>+</sup> myofibroblasts. Lentiviral overexpression of Gremlin-1 in LX-2 cells  
42 and primary hepatic stellate cells led to changes in BMP-related gene expression,  
43 which did not translate to increased fibrogenesis. Furthermore, we show that  
44 Gremlin-1 binds to heparin with high affinity, which prevents Gremlin-1 from entering  
45 systemic circulation, prohibiting Gremlin-1-mediated organ crosstalk. Overall, our  
46 findings suggest a redundant role for Gremlin-1 in the pathogenesis of liver fibrosis,  
47 which is unamenable to therapeutic targeting.

48

49 **Key words:** bone-morphogenetic proteins / gremlin-1 / liver fibrosis / metabolic  
50 dysfunction-associated steatotic liver disease / metabolic dysfunction-associated  
51 steatohepatitis

52 **Introduction**

53 Metabolic dysfunction-associated steatotic liver disease (MASLD) is aetiologically  
54 closely linked to insulin resistance and the metabolic syndrome, and in parallel with  
55 the rise in obesity is becoming the most common chronic liver disease worldwide,  
56 affecting about twenty to thirty percent of the population in western countries (1,2). It  
57 is characterised by hepatocellular lipid accumulation and, through multiple  
58 mechanisms, can progress to inflammation of the liver (metabolic dysfunction-  
59 associated steatohepatitis, MASH) and subsequent fibrosis (3). Liver fibrosis has  
60 been identified as the predominant factor determining patient prognosis, and higher  
61 stages are associated with liver-related events such as liver failure or the  
62 development of hepatocellular carcinoma, as well as extrahepatic events such as  
63 cardiovascular disease, extrahepatic cancer or endocrinological complications (4).

64 Gremlin-1 is a protein that is mainly expressed in fibroblasts and stem cells, and has  
65 been linked to fibrosis in a number of organs, including the kidney, lung, pancreas  
66 and skin (5–8). It acts mainly via inhibition of bone morphogenetic protein (BMP)  
67 signalling by direct binding and inactivation of BMPs 2, 4, and 7 (9), whilst some  
68 reported actions on vascular endothelial growth factor receptor 2 (VEGFR2) and  
69 monocyte migration inhibitory factor (MIF) (10,11). Gremlin-1 forms dimers and avidly  
70 binds to glycosaminoglycans such as heparin and heparan sulphate, although the  
71 latter is not necessary for its interaction with BMPs (12–15). In the liver, expression  
72 generally is low (16) and restricted to activated hepatic stellate cells, which are the  
73 main fibrogenic cell population in the liver along with fibroblasts (17,18). Hepatic  
74 Gremlin-1 has been linked to hepatocellular insulin resistance (19) and recent  
75 literature described a role in driving hepatocellular senescence, which in turn is linked  
76 to hepatic fibrogenesis and carcinogenesis (20). Previous evidence suggests that  
77 Gremlin-1 plays an active role in liver fibrosis by inhibiting the anti-fibrotic action of

78 BMPs 4 and 7 on activated hepatic stellate cells (21,22). Systemic siRNA-mediated  
79 knockdown of Gremlin-1 downregulated hepatic TGF $\beta$  signalling and reduced fibrosis  
80 in a rat CCl<sub>4</sub> model of liver fibrosis (22). Furthermore, adipose tissue dysfunction and  
81 inflammation are both important factors in the pathogenesis of MASLD and MASH  
82 fibrosis (23), and Gremlin-1 has been described to drive adipogenesis and adipocyte  
83 dysfunction in hypertrophic adipose tissue (24).  
84 However, to date the effects of therapeutic inhibition of Gremlin-1 in human liver  
85 fibrosis, and MASH in particular, have not been studied. In this study, we aimed to  
86 further characterize the expression of Gremlin-1 in human and rodent MASH and  
87 evaluate the therapeutic efficacy of an anti-Gremlin-1-directed antibody treatment in  
88 rodent and human *in vivo* and *ex vivo* models of MASH fibrosis.

89 **Results**

90 ***Hepatic gremlin-1 is increased in human and rat MASH liver, localised to portal***  
91 ***myofibroblasts***

92 We wanted to determine Gremlin-1 expression in MASH and establish which, if any,  
93 cell types in the liver expressed Gremlin-1. Gremlin-1 was undetectable in healthy  
94 human liver by RNAscope *in situ* hybridization (ISH) but staining increased in fibrotic  
95 NMSH liver, localising to fibrotic septa (Figure 1A and B). Therefore, we  
96 hypothesized that Gremlin-1 is involved in hepatic fibrogenesis and that its  
97 expression might correlate with advancing stages of fibrosis in MASH. By RTqPCR of  
98 human explant livers of different aetiologies (all fibrosis stage F4), we found 4.8 to  
99 9.8-fold increased GREM1 mRNA expression in MASH, ALD, PBC and PSC liver  
100 tissues when compared to donor livers (n=13-15 each, Figure 1C). Notably though,  
101 when analyzing publicly available bulk RNA sequencing from a total of 352 patients  
102 with MASLD (n=58 E-MTAB-9815, n=78 GSE130970, n=216 GSE135251), capturing  
103 the whole spectrum of MASLD and MASH, we found no correlation of GREM1  
104 expression with the histological stage of fibrosis (Supplemental Figure 1).

105 GREM1 mRNA positive cells also stained positive for THY1 and COL3A1 in  
106 RNAscope ISH (Figure 1D), indicating that myofibroblasts in the fibrotic area were  
107 the major cell type expressing Gremlin-1 in human MASH. This was corroborated by  
108 findings from RTqPCR on cultured hepatic cells where GREM1 mRNA expression  
109 was highest in primary human hepatic stellate cells and myofibroblasts as compared  
110 to absent or low expression in biliary epithelial and sinusoidal endothelial cells  
111 (Figure 1E). However, only a small proportion of THY1/COL3A1<sup>+</sup> cells expressed  
112 GREM1, with expression being highly variable across and within each specimen. In  
113 agreement, integrated analyses of two publicly available single-cell RNA sequencing

114 data sets overall showed very low expression levels of Gremlin-1 across cell types  
115 (Supplemental Figure 2A-C), but slightly higher expression in THY1 and COL3A1-  
116 expressing myofibroblast populations and smooth muscle cells (Supplemental Figure  
117 2D-F).

118 In order to find a suitable animal model for studying therapeutic effects of neutralizing  
119 Gremlin-1, we sought to establish whether rodent MASH models adequately reflect  
120 the changes in hepatic GREM1 expression we observed in human MASH. We found  
121 no evidence of consistent Grem1 expression in healthy and fibrotic mouse liver  
122 tissues (not shown). However, Grem1 ISH staining was consistently increased in  
123 livers of rats fed a choline-deficient, L-amino acid defined high-fat diet (CDAA-HFD)  
124 for twelve weeks. Like our observations in human MASH liver tissue, Grem1  
125 expression in rat livers mainly localised to periportal fibrotic areas (Figure 1F).

126

127 ***Gremlin-1 is undetectable in the circulation, due to avid glycosaminoglycan***  
128 ***binding***

129 Increased circulating Gremlin-1 protein has been described in patients with type 2  
130 diabetes and in MASH and has been linked to higher MASH disease severity (19).  
131 Therefore, we wanted to verify these findings and investigate whether circulating  
132 Gremlin-1 protein also correlates with the stage of fibrosis. We developed a  
133 luminescent oxygen channelling immunoassay (LOCI, alphaLISA) using different  
134 combinations of in-house generated human recombinant anti-Gremlin-1 antibodies.  
135 These assays were highly sensitive, with a lower limit of quantification of 0.1 ng/mL,  
136 and highly specific as suggested by the absence of any signal. However, despite  
137 high sensitivity, we were unable to detect circulating Gremlin-1 in plasma or serum in  
138 a cohort of healthy subjects and MASLD patients with different stages of fibrosis

139 (Figure 2A and B, clinical characteristics see Table 1). Using size exclusion  
140 chromatography, we observed that dimeric Gremlin-1 forms dimers and trimers in  
141 complex with heparin under cell- and matrix-free conditions (Figure 2C), suggesting  
142 that Gremlin-1 might be retained on cell surfaces and extracellular matrix and thus  
143 not enter the systemic circulation. Furthermore, the binding affinity of Gremlin-1 to  
144 heparin was in the low nanomolar range (Figure 3E), suggesting a strong localization  
145 towards extracellular matrix proteoglycans.

146

147 ***Development and characterisation of a neutralising anti-Gremlin-1 directed***  
148 ***antibody***

149 Given the potential role of Gremlin-1 in hepatic fibrogenesis in MASH, we developed  
150 therapeutic anti-Gremlin-1 antibodies and aimed to test whether neutralization of  
151 Gremlin-1 interfered with fibrosis in models of MASH. Generated antibodies were  
152 highly effective in blocking recombinant human Gremlin-1 from binding BMP4 in a  
153 Gremlin/BMP4 inhibition ELISA (Figure 3A,  $IC_{50} = 2.7\text{-}3.1 \times 10^{-9}\text{M}$ ) as well as in a  
154 BRE-Luc RGA BMP reporter assay (Figure 3B,  $EC_{50} = 1.27\text{-}1.36 \times 10^{-8}\text{M}$ ) with  
155  $IC_{50}/EC_{50}$  values being the lowest possible that can be reached given the amount of  
156 Gremlin-1 used in the assays. Treatment of LX-2 cells with BMP4 also increased  
157 SMAD1 phosphorylation, which was prevented by the addition of Gremlin-1 (Figure  
158 3C), and anti-Gremlin-1 antibodies, but not isotype control, effectively restored  
159 SMAD1 phosphorylation in a dose-dependent manner (Figure 3C,  $K_D = 2.04\text{-}2.96 \times 10^{-9}\text{M}$ ). Antibodies differed in their binding stoichiometries; the 0032:ND/0568:ND  
160 antibody formed complexes with Gremlin-1 dimers in a 2:2 ratio, whilst the 0030:HD  
161 compound bound Gremlin-1 predominantly in a 1:1 ratio (Figure 3D).

163 Antibodies had different effects with regards to heparin binding, indicated by suffixes  
164 HD for heparin-displacing and ND for non-displacing antibodies. Using a  
165 fluorescence polarization assay we found that Gremlin-1 bound to heparin with high  
166 affinity (Figure 3E,  $K_D$  [Grem1 alone] = 13 nM), confirming our chromatography  
167 findings. Whilst the 0032:ND compound did not affect heparin binding of Gremlin-1,  
168 the 0030:HD heparin-displacing antibody reduced the affinity by a factor of ten ( $K_D$   
169 [0032:ND- Gremlin-1] = 18 nM vs  $K_D$  [0030:HD- Gremlin-1] = 99 nM, respectively,  
170 Figure 3E). In line with these results, Atto-532-conjugated Gremlin-1 bound to the cell  
171 surface of LX-2 cells which was prevented by the heparin-displacing 0030:HD but not  
172 the 0032:ND or isotype control antibody (Figure 3F). Size-exclusion chromatography  
173 on mixtures of Gremlin-1, heparin and anti-Gremlin-1 antibodies revealed that the  
174 0030:HD antibody forms 1:1 complexes with free Gremlin-1 not involving heparin,  
175 while the 0032:ND antibody captures heparin-bound Gremlin-1, leading to the  
176 formation of higher-order complexes that were insoluble and precipitated  
177 (Supplemental Figure 3).

178

179 ***Overexpression but not antibody blockade of Gremlin-1 modified the***  
180 ***expression profile of human hepatic fibrogenic cells***

181 Having characterised effective neutralising antibodies against Gremlin-1, we  
182 evaluated whether anti-Gremlin-1 treatment reduced the fibrogenic activation of  
183 hepatic stellate cells. For this purpose we used the heparin-displacing 0030:HD  
184 antibody. However, anti-Gremlin-1 blockade did not change the expression of  
185 COL1A1, ACTA2 or TIMP1 either without or with TGF $\beta$ 1 treatment, when compared  
186 to isotype control in primary human hepatic stellate cells (HHSC) or myofibroblasts  
187 ( $p > 0.05$ , Figure 4A and B, respectively). To test whether Gremlin-1 had any impact

188 on hepatic stellate cell biology, we overexpressed GREM1 on LX-2 cells and HHSC  
189 using a second-generation lentiviral vector. Overexpression increased the expression  
190 of GREM1 by a factor of 177 after sorting for GFP in LX-2 ( $p < 0.001$ , Supplemental  
191 Figure 4) and by a factor of 6.3 in unsorted HHSC ( $p = 0.0204$ , Supplemental Figure  
192 4). To assess the effects of overexpression on fibrogenic gene expression, we  
193 treated lentivirally transduced cells with TGF $\beta$ 1 or PBS as vehicle control and  
194 performed qPCR for fibrogenic and BMP-signalling-related targets. Overexpression  
195 did not significantly affect the expression of COL1A1, ACTA2 or TIMP1 in either LX-2  
196 or primary HHSC (all  $p > 0.05$ , Figure 4C and D). However, in LX-2 cells, GREM1  
197 overexpression significantly increased the expression LOX in vehicle control treated  
198 cells only ( $p = 0.020$ , Figure 4D), while CCL2 and LOXL1 expression were unaffected  
199 ( $p = 0.11$  and  $p = 0.15$ , respectively). Moreover, GREM1 overexpression affected  
200 gene expression of several BMP-related signalling targets; BMP4, SMAD6 and  
201 SMAD7 expression were reduced in vehicle-treated cells only ( $p = 0.016$ ,  $p = 0.013$   
202 and  $p = 0.032$ , respectively, Figure 4E). Additionally, GREM1 overexpression  
203 resulted in a significant downregulation of INHBB expression irrespective of TGF $\beta$ 1  
204 co-treatment ( $p = 2.4 \times 10^{-5}$ ) and upregulation of BMP7 and SMAD1 ( $p = 0.008$  and  
205  $p = 0.007$ , respectively, Figure 4E).

206

### 207 ***Lack of therapeutic efficacy in a rat model of MASH fibrosis***

208 To investigate whether therapeutic targeting of hepatic Gremlin-1 could reduce  
209 fibrosis in rodent MASH, we used a choline-deficient, L-amino acid defined high fat  
210 1% cholesterol diet (CDAA-HFD) rat model of MASH, in which we had observed  
211 increased Gremlin-1 expression. Eight to ten-week-old male Sprague Dawley rats  
212 were fed a CDAA-HFD for a total of 12 weeks. In the last six weeks of feeding, rats

213 were treated with weekly subcutaneous injections of “mulinised” monoclonal anti-  
214 Gremlin-1 non-heparin-displacing (0361:ND) or heparin-displacing antibody  
215 (2021:HD) at different concentrations (Figure 5A). Isotype matched mouse IgG1  
216 antibody served as a control treatment. As expected, CDAA-HFD led to a reduction in  
217 body weight and induced a MASH phenotype, as evidenced by increased plasma  
218 levels of alanine- and aspartate aminotransferase (ALT and AST, respectively),  
219 increased liver weight, steatosis, picrosirius red (PSR) positive fibrosis area and  
220 CD45<sup>+</sup> immune cell infiltrates (Figure 5B-H).

221 To test for target engagement of therapeutic antibodies, we took blood at different  
222 timepoints of treatment and measured circulating Gremlin-1 concentrations. We did  
223 not find any Gremlin-1 protein in rats treated with isotype controls or non-heparin-  
224 displacing antibodies, but Gremlin-1 concentration increased with heparin-displacing  
225 antibody treatment (Supplemental Figure 5), suggesting that Gremlin-1 was removed  
226 from extracellular matrix and entered circulation. However, treatment with either the  
227 heparin-displacing or non-displacing antibody did not change MASH phenotype, as  
228 measured by serum ALT or AST, liver weight, steatosis, PSR positive area or CD45<sup>+</sup>  
229 cell infiltrate (all p > 0.05, Figure 5C-H). We observed a similar pattern for additional  
230 immunohistochemistry read-outs COL1A1,  $\alpha$ SMA, CD68, and CD11b (Supplemental  
231 Figure 6), and qPCR results for Grem1, Col1a1, Col3a1, Timp1, Tgfb1 and Tnf  
232 (Supplemental Figure 7). Quantification results for all antibody concentrations can be  
233 found in the Supplementary Materials (Suppl. Table 1 and 2).

234

235 ***Exposure of human cirrhotic precision-cut liver slices to anti-Gremlin-1***  
236 ***antibodies had no impact on the fibrotic response***

237 To test whether anti-Gremlin-1 was effective in a human model system of MASH  
238 fibrosis, we treated human PCLS prepared from cirrhotic livers with the human  
239 heparin-displacing antibody 0030:HD (Figure 6A). Albumin concentrations and AST  
240 activity in supernatants were similar between treatment groups, indicating no toxicity  
241 of any of the compounds ( $p = 0.358$  and  $p = 0.112$ , respectively, Supplemental  
242 Figure 8). Treatment with TGF $\beta$ 1 increased the expression of COL1A1, ACTA2 and  
243 TIMP1 ( $p = 0.033$ ,  $p = 0.095$  and  $p = 0.047$ , respectively, Figure 6B), while ALK5  
244 inhibition significantly decreased their expression ( $p = 9.9 \times 10^{-4}$ ,  $p = 0.040$  and  
245  $p = 0.003$ , respectively, Figure 6B). The anti-Gremlin-1 antibody did not reduce  
246 fibrotic marker expression when compared to the isotype control antibody ( $p > 0.283$   
247 in all comparisons, Figure 6B). Concordant with gene expression data, we also saw  
248 no changes in soluble Pro-collagen 1A1 levels in PCLS supernatant upon treatment  
249 with the anti-Gremlin-1 antibody (Figure 6C). Like for the target engagement studies  
250 in the rat CDAA-HFD model, we measured Gremlin-1 protein in PCLS supernatants  
251 but were unable to pick up any signal (Supplemental Figure 9A). However, using  
252 confocal microscopy on PCLS stained with AF488-conjugated non-heparin displacing  
253 antibody, we observed binding of the therapeutic antibody but not the isotype control  
254 to scar tissue in PCLS, suggesting adequate tissue penetration (Supplemental Figure  
255 9B). To check whether anti-Gremlin-1 treatment affected other pathways, we  
256 performed 3'-mRNA sequencing on antibody-treated PCLS, but differential gene  
257 expression analysis did not show any considerable gene expression changes in  
258 response to anti-Gremlin-1 treatment (Figure 6D and E).

259 **Discussion**

260 In recent years, Gremlin-1 has been recognised as a potential therapeutic target in  
261 treating patients with MASH, and MASH fibrosis in particular. Baboota *et al* recently  
262 suggested that anti-Gremlin-1 based therapies may be able to halt or even reverse  
263 MASH progression through inhibition of hepatocellular senescence (20). In the  
264 present study, we aimed to develop and evaluate anti-Gremlin-1 neutralising  
265 antibodies as therapeutic assets for the treatment of MASH fibrosis.

266 Gremlin-1 is mainly expressed in adipose tissue, the intestine and the kidneys, while  
267 hepatic expression is considered low in healthy human (16) and rodent tissue (17). In  
268 healthy mouse liver, Gremlin-1 expression was undetectable, but others have  
269 previously found increased mRNA expression in murine fibrotic liver in *Mdr2*<sup>-/-</sup> mice  
270 fed a cholate-containing diet (17) and porcine serum-induced murine liver fibrosis  
271 (21). Similarly, in patients with type 2 diabetes and MASH, Hedjazifar *et al* have  
272 found increased Gremlin-1 expression and a positive correlation with liver steatosis,  
273 inflammation, ballooning and the stage of fibrosis (19). Our findings of increased  
274 RNAscope ISH signal in human and rat MASH fibrosis largely corroborate existing  
275 evidence, although our secondary analyses from existing bulk RNA-sequencing  
276 datasets conflicted in that regard. Furthermore, our RNAscope studies on human  
277 livers highlight the heterogeneity of Gremlin-1 expression across and within individual  
278 livers, resulting in a high risk of sampling bias. Not least, we showed increased  
279 hepatic Gremlin-1 expression across different aetiologies of end-stage chronic liver  
280 disease, pointing towards a role not specific to metabolic liver disease.

281 The exact cellular localisation of hepatic Gremlin-1 is under continuous investigation.  
282 Using RNAscope in-situ hybridization, we found that Gremlin-1 mRNA localised to  
283 COL3A1/THY1<sup>+</sup> myofibroblasts. Some authors previously found increased Gremlin-1

284 expression in human HSC-derived myofibroblasts when compared to quiescent and  
285 early activated HSC (17,18). However, following studies found evidence that Gremlin-  
286 1 expression is most abundant in portal fibroblasts when compared to hepatic stellate  
287 cells in murine bile duct ligation and CCl<sub>4</sub> models of fibrosis (25), suggesting that  
288 portal fibroblast-derived myofibroblasts, rather than HSC-derived myofibroblasts, are  
289 the predominant Gremlin-1-expressing cells of the liver. Still, as mentioned above,  
290 hepatic Gremlin-1 expression seems to be very low, evidenced by available liver  
291 scRNA-seq data (26,27). In our integrated analysis of both data sets, Gremlin-1 was  
292 barely detectable but showed considerable expression in smooth muscle cell subsets  
293 and myofibroblasts expressing COL3A1 and THY1. All taken together, our data  
294 confirmed a subset of myofibroblasts as the predominant hepatic cell population  
295 expressing Gremlin-1.

296 We found increased levels of Gremlin-1 expression in MASH fibrosis and localisation  
297 of Gremlin-1 to periportal hepatic fibroblasts. However, we did not find any  
298 therapeutic effect of antibody-mediated neutralisation of Gremlin-1, neither in a rat  
299 CDAA-HFD *in vivo* model nor in human *ex vivo* or *in vitro* culture models of MASH  
300 fibrosis. We extensively tested and characterised our therapeutic antibodies and  
301 were able to show high-affinity binding to Gremlin-1 and inhibition of its functional  
302 activity on BMP4. Furthermore, treating rats with the heparin-displacing anti-Gremlin-  
303 1 antibody *in vivo* led to a significant increase in circulating Gremlin-1 protein,  
304 evidencing reliable target engagement. However, the small subset of  
305 COL3A1+/THY1+ periportal fibroblasts unlikely represents the major fibrogenic cell  
306 subset in MASH. While periportal myofibroblasts play an important role in biliary  
307 fibrosis (28), in most chronic liver diseases such as MASH and alcohol-related liver  
308 disease, hepatic stellate cell (HSC)-derived myofibroblasts represent the  
309 predominant fibrogenic cell population (29). Moreover, hepatic Gremlin-1 expression

310 is quite low when compared to organs such as the intestine or visceral adipose tissue  
311 (16). Others suggested that Gremlin-1 plays an important role in visceral adipose  
312 tissue biology by driving adipocyte hypertrophy and adipose tissue dysfunction (24).  
313 Given the important role of visceral adipose tissue dysfunction in MASLD/MASH  
314 development (23), Gremlin-1 could drive the development and progression of MASH  
315 by modulating local adipose tissue function. Some authors even have hypothesized  
316 that visceral adipose tissue Gremlin-1 might act directly on the liver via delivery  
317 through the bloodstream (19), but this seems unlikely considering the high affinity  
318 binding of Gremlin-1 to glycosaminoglycans such as heparin, which very likely  
319 prevents Gremlin-1 from entering the blood stream. We carefully selected the CDAA-  
320 HFD rat model of MASH fibrosis for our *in vivo* studies as this was the only animal  
321 model tested that showed convincing and reliable hepatic upregulation of Gremlin-1  
322 upon liver injury. While the CDAA-HFD model reliably reproduces the histological  
323 hallmarks of hepatic disease in MASH, such as liver steatosis, inflammation and  
324 fibrosis (30), it does not incorporate extrahepatic factors such as obesity and adipose  
325 tissue dysfunction as drivers of disease. On the contrary, CDAA-HFD leads to  
326 reduced weight gain and reduced visceral adiposity compared to control diet (30).  
327 Data on adipose tissue biology in CDAA-HFD are scarce, but increased expression  
328 and release of the obesogenic cytokine leptin is considered a hallmark of severe  
329 obesity and the metabolic syndrome (31). Experiments on mice suggest that this axis  
330 is disrupted in CDAA-fed animals as they show reduced leptin levels (32). Likewise,  
331 although not specifically tested, obesity-induced changes in adipose tissue Gremlin-1  
332 expression and biology are likely not reflected in the CDAA-HFD model used here.  
333 Precision-cut liver slices (PCLS) are a well-established method that allows the study  
334 of hepatic signalling pathways *ex vivo*, and unlike monolayer cell culture models  
335 reflects hepatic cell-cell interactions (33). We used liver specimen from patients

336 undergoing liver transplantation, which enabled us to study the effects of anti-  
337 Gremlin-1 treatment on clinically relevant, chronically diseased liver. However, these  
338 samples were derived from patients with end-stage liver disease which is usually not  
339 amenable to pharmacological interventions aimed at reversing disease. We were  
340 also limited to studying samples after 24 hours of treatment, because we observed  
341 tissue and RNA degradation when keeping cirrhotic PCLS in culture for longer. While  
342 others have incubated cirrhotic PCLS for up to 48 hours, they still observed  
343 significant changes in gene expression as early as 24 hours after dosing (34), and  
344 we also found a clear anti-fibrotic response upon ALK5 inhibition, so it is unlikely that  
345 the shorter duration of our experiment precluded us from observing early effects of  
346 Gremlin-1 blockade . However, any potential effects of Gremlin-1 on infiltrating  
347 immune cells and extrahepatic signals, e.g. from the gut or adipose tissue, are not  
348 reflected in PCLS.

349 Our negative findings from rat *in vivo* and human *ex vivo* models were largely  
350 corroborated by our results obtained through *in vitro* cell culture of fibrotic liver cells.  
351 Anti-Gremlin-1 treatment was ineffective in reducing pro-fibrogenic gene expression  
352 in both LX-2 and primary HHSC. This was in line with findings that lentiviral  
353 overexpression of GREM1 in both cell types did not alter the expression of fibrogenic  
354 genes in response to TGF $\beta$ 1. Interestingly, overexpression of GREM1 increased the  
355 expression of CCL2, a proinflammatory cytokine upregulated in early stellate cell  
356 activation (29) and LOX, which plays an important role in collagen-crosslinking and is  
357 typically upregulated later in the HSC activation cascade (29,35). GREM1  
358 overexpression also modulated the expression of BMP-signalling-related genes,  
359 including BMP7, SMADs and INHBB, which might counter-balance any potential pro-  
360 fibrogenic effect.

361 Overall, considering the minor role of periportal fibroblasts, the main cell population  
362 expressing Gremlin-1, in MASH fibrosis and the lack of an effect upon neutralisation  
363 of Gremlin-1, the role of hepatic Gremlin-1 in liver fibrosis seems questionable. While  
364 some authors described *in vivo* effects of siRNA knockdown of Gremlin-1 on liver  
365 fibrosis in a carbon tetrachloride model of liver fibrosis in rats (22), others did not find  
366 any effect of adenoviral overexpression or intraperitoneal injection of recombinant  
367 Gremlin-1 protein on steatosis, inflammation and fibrosis in high-fat diet-fed mice  
368 (36). Furthermore, recent studies suggest that Gremlin-1 might not be a solely pro-  
369 fibrotic protein through inhibition of BMPs. Studies on myocardial fibrosis, urinary  
370 carcinoma and intervertebral disc degeneration found that Gremlin-1 can also directly  
371 antagonise TGF $\beta$ 1 (37–39), thereby potentially exerting anti-fibrotic effects.  
372 Therefore, the specific role of Gremlin-1 in organ fibrosis might be largely context-  
373 dependent, depending on the local balance of BMPs and TGF proteins.

374 Our findings regarding the heparin-binding properties of Gremlin-1 shed further light  
375 on biological function and potential use of Gremlin-1 as a biomarker or therapeutic  
376 target. Heparin binding is a hallmark of the TGF $\beta$  superfamily of proteins (40),  
377 including Gremlin-1 belonging to the Dan family, and therefore it was not unexpected  
378 that Gremlin-1 also possesses high-affinity binding properties towards  
379 glycosaminoglycans such as heparan sulphate (41). To our surprise, using our highly  
380 sensitive and specific luminescent channelling assays, we found no consistent  
381 evidence of circulating Gremlin-1 protein. Other groups reported increased levels of  
382 Gremlin-1 protein in the blood of patients with MASLD/MASH and cardiovascular  
383 disease and even found correlations with parameters of hepatic disease activity and  
384 insulin resistance (19). Proving the absence of a protein is inherently challenging if  
385 not impossible. Still, leading up to this assay we tested many high-affinity polyclonal  
386 and monoclonal antibodies, exploiting all epitopes of Gremlin-1 to avoid epitope

387 masking in circulation. Using these antibodies on several detection platforms, we still  
388 found no detectable Gremlin-1 in circulation, despite high-sensitivity of our assays,  
389 which was confirmed using spike-ins of recombinant protein from several batches  
390 and the presence of detectable Gremlin-1 in circulation after anti-Gremlin-1 treatment  
391 in the rat CDAA-HFD model. Furthermore, the absence of any signal suggests that  
392 unspecific binding was not an issue. We are therefore confident that our assay  
393 worked and that we should have been able to pick up signals from Gremlin-1  
394 concentrations as high as have been reported in the literature. We propose that the  
395 heparin-binding properties of Gremlin-1 preclude release of Gremlin-1 protein into  
396 systemic circulation while it is retained locally in its functional niche, amplifying local  
397 activity surrounding Gremlin-1-expressing cells. However, this likely precludes  
398 release of Gremlin-1 protein into systemic circulation. Therefore, previous findings  
399 relating to correlations of circulating Gremlin-1 need to be interpreted with caution.  
400 Still, extracellular vesicles (42) and platelets (43) reportedly can contain Gremlin-1,  
401 which might still offer a route of inter-organ communication through Gremlin-1. Taken  
402 together, the implications of Gremlin-1 heparin-binding properties and possibility of its  
403 absence from systemic circulation clearly need to be considered when studying its  
404 function, therapeutic applications and suitability as a biomarker.  
405 In summary, our data provide compelling evidence that hepatic Gremlin-1 is not a  
406 suitable target for treating MASH-induced liver fibrosis. However, this does not  
407 preclude a role for Gremlin-1 in other liver diseases, and biliary fibrosis in particular.  
408 Furthermore, mounting evidence suggests a role for Gremlin-1 in carcinogenesis and  
409 future studies will have to define its role in hepatocellular carcinoma development.  
410 Not least, the role of Gremlin-1 in adipose tissue is well established and targeting  
411 visceral adipose rather than hepatic Gremlin-1 might be a more promising target in

412 MASH. More research is needed though, to confirm a link between adipose Gremlin-  
413 1 and hepatic inflammation and fibrosis.

414 **Materials and Methods**

415 ***Study approval***

416 All work on human tissue and blood conformed with the Human Tissue Act and  
417 studies were approved by the local ethics review board (Immune regulation,  
418 06/Q2702/61 and 04/Q2708/41; Inflammation, 18-WA-0214; Fibrosis, 19-WA-0139).  
419 Human blood samples for detection of Gremlin-1 protein were collected as part of the  
420 Fatty Liver Disease in Nordic Countries (FLINC) study (Clinicaltrials.gov,  
421 NCT04340817, ethics protocol number: H-17029039, approved by Scientific Ethics  
422 Committees in The Capital Region of Denmark) and human liver biopsies for ISH  
423 staining were obtained in routine clinical practice and use for research was approved  
424 by the local ethics committee (ethics protocol number: H-17035700, approved by  
425 Scientific Ethics Committees in The Capital Region of Denmark). All patients or their  
426 legal representatives gave informed written consent prior to all procedures.

427 All animal experiments were performed at Novo Nordisk, Denmark and were  
428 approved by The Danish Animal Experiments Inspectorate using permission 2017-  
429 15-0201-01215.

430

431 ***Animal experiments***

432 Male, 8-10 weeks old Sprague Dawley rats (n=130 Janvier Labs, France) were fed a  
433 high fat, choline-deficient, 1% cholesterol diet (CDAA-HFD [A16092003, Research  
434 Diets Inc, New Brunswick, New Jersey]) for 12 weeks, with weekly subcutaneous  
435 administration of 25, 2.5, 1 or 0.25 mg/kg of NNC0502-2021 heparin-displacing or 25,  
436 2.5, or 1 mg/kg NNC0502-0361 non heparin-displacing antibody during weeks 6 to  
437 12. The first dose was administered as a double dose, to increase time spent at

438 steady state drug exposure. As a control, isotype mouse IgG1 antibody was  
439 administered at 25 mg/kg. A separate group of animals was fed control chow diet  
440 (n=5, chow, Altromin 1324, Brogaarden, Lyngé, Denmark) for the duration of the  
441 study. After 6 weeks dosing, animals were sacrificed in a fed state 6 days post last  
442 dose, and plasma and tissue were collected for analysis. Plasma was collected by  
443 sublingual sampling two days before drug administration for the first two weeks, as  
444 well as two days after drug administration throughout the study duration. Liver  
445 enzymes alanine transaminase (ALT) and aspartate aminotransferase (AST) in  
446 plasma were quantified according to manufacturer's instructions on the Cobas C501  
447 machine (Roche Diagnostics, Basel, Switzerland).

448

449 ***Human liver samples and ethics***

450 Tissue samples were taken from explanted diseased livers of patients undergoing  
451 liver transplantation for end-stage liver disease of different aetiology (MASLD/MASH,  
452 alcohol-related liver disease, primary biliary cholangitis, primary sclerosing  
453 cholangitis) or donor livers from organ donors that were not deemed suitable for  
454 transplantation after organ retrieval.

455

456 ***Generation of human therapeutic anti-Gremlin-1 antibody***

457 The Adimab antibody discovery platform was used to select antibodies against  
458 Gremlin-1 as described in the following. Eight separate libraries, representing  
459 different antibody families and each with a  $1-2 \times 10^9$  diversity, were screened for  
460 specific binders through consecutive rounds of enrichment using MACS and FACS.  
461 In short, using biotinylated rhGremlin as a "bait" protein, two rounds of MACS

462 selections were performed followed by three rounds of FACS, including a de-  
463 selection round for poly-specific binders. After the final selection round, clones were  
464 plated, picked and sequenced from each of the libraries. From the pool of  
465 sequences, unique antibodies were identified, and these were expressed, purified,  
466 and subsequently tested for binding to Gremlin-1 using Fortebio technology. To  
467 increase the panel of high affinity antibodies, a light chain shuffle was performed  
468 using the heavy chain output from the naïve selection. For use in the rat MASH  
469 study, the human variable light and heavy chains were grafted onto a murine  
470 scaffold.

471

## 472 ***Cell culture***

473 Primary human HSEC, BEC and myofibroblasts were isolated as described  
474 previously (44,45). HSEC and BEC were used for RNA isolation purposes only.  
475 Myofibroblasts were grown on uncovered polystyrene culture plates in 16% FCS in  
476 DMEM supplemented with 1% Penicillin-Streptomycin-L-Glutamine and subcultured  
477 at a 1:3 ratio using Gibco TrypLE™ Express Enzyme (12605010, Fisher Scientific)  
478 for cell dissociation. Only myofibroblasts up to a passage number of 4 were used for  
479 experiments. For cell culture experiments, myofibroblasts were seeded at a density of  
480  $15 \times 10^3$  cells/cm<sup>2</sup> in 16 % FBS, 1 % Penicillin-Streptomycin-L-Glutamine (10378016,  
481 FisherScientific Ltd) in Gibco DMEM (high-glucose, containing pyruvate, 10313021,  
482 FisherScientific Ltd) on uncoated polystyrene cell culture multiwell plates. Cells were  
483 grown to adhere over 24 hours and serum-starved in 2 % FBS medium (containing  
484 Penicillin-Streptomycin-L-Glutamine) for another 24 hours before changing medium  
485 to treatment conditions in 2 % FBS medium.

486 LX-2 cells were purchased from Merck (SCC064, Merck KGaA, Germany),  
487 reconstituted and cultured according to the distributor's instructions. Cells were  
488 subcultured at a 1:3 to 1:6 ratio using Gibco TrypLE™ Express Enzyme (12605010,  
489 Fisher Scientific) for cell dissociation. Only LX-2 cells up to a passage number of 15  
490 were used for experiments. For cell culture experiments, LX-2 cells were seeded at a  
491 density of  $25 \times 10^3$  cells/cm<sup>2</sup> in 2 % FBS, 1 % Penicillin-Streptomycin-L-Glutamine  
492 (10378016, FisherScientific Ltd) in Gibco DMEM (high-glucose, containing pyruvate,  
493 10313021, FisherScientific Ltd) on uncoated polystyrene cell culture multiwell plates.  
494 Cells were grown to adhere over 24 hours and serum-starved in 0.2 % FBS medium  
495 (containing Penicillin-Streptomycin-L-Glutamine) for another 24 hours before  
496 changing medium to treatment conditions in 0.2 % FBS medium.

497 Primary human hepatic stellate cells (HHSC) isolated from adult healthy donors were  
498 purchased from Caltag Medsystems Ltd (IXC-10HU-210, Lot numbers: 300075-7,  
499 300079-1, 300080-1). Cells were grown in 10 % FBS, 1% Penicillin-Streptomycin-L-  
500 Glutamine (10378016, FisherScientific Ltd) in DMEM (high-glucose, containing  
501 pyruvate, 10313021, FisherScientific) and subcultured in 1:4 ratio using Gibco  
502 TrypLE™ Express Enzyme (12605010, Fisher Scientific) for cell dissociation. HHSC  
503 were used up to a passage number of 3 (parent cells) or 4 (lentivirally transduced  
504 cells). For cell culture experiments, HHSC were seeded at a density of  $7.5 \times 10^3$   
505 cells/cm<sup>2</sup> in 10 % FBS, 1 % Penicillin-Streptomycin-L-Glutamine in Gibco DMEM  
506 (high-glucose, containing pyruvate, 10313021, FisherScientific) on uncoated  
507 polystyrene cell culture multiwell plates. Cells were grown to adhere over 24 hours  
508 and serum-starved in 2 % FBS medium (containing Penicillin-Streptomycin-L-  
509 Glutamine) for another 24 hours before changing medium to treatment conditions in  
510 2 % FBS medium.

511 HepG2 cells are a human hepatoma cell line and were purchased from ECACC  
512 (#k5011430). Cells were grown in 10% FCS and 1%PSG in DMEM on uncoated  
513 polystyrene cell culture flasks and subcultured in a 1:6 ratio using Gibco TrypLE  
514 Express Enzyme.

515 All cells were grown and maintained in cell culture incubators at 37°C in a 5 % CO<sub>2</sub>  
516 atmosphere.

517

518 ***Lentiviral overexpression***

519 We used a replication-deficient recombinant second generation lentivirus for *in vitro*  
520 overexpression studies. The coding sequence for Gremlin-1 (Origene, Cat-No  
521 RC210835) was inserted into the plasmid pWPI (kindly provided by Roy Bicknell at  
522 University of Birmingham), followed by the coding sequence for the enhanced Green  
523 Fluorescent Protein (eGFP). This plasmid will be referred to as GREM1-pWPI. The  
524 pWPI plasmid including the sequence for eGFP but lacking the GREM1 insert (GFP-  
525 pWPI) was used to generate an empty vector control in subsequent experiments  
526 (GFP-control). GFP-only control and GREM1 lentiviruses were produced by  
527 transfecting HEK293T cells with Lipofectamine 3000 (L3000001, Invitrogen) in  
528 OptiMEM (31985070, Gibco) containing 14.4 µg GFP-pWPI or GREM1-pWPI,  
529 8.33 µg psPAX2 - providing the lentiviral replication function - and 2.63 µg pMD2.G -  
530 for pseudotyping with the VSV-G, enabling cell entry of the virus into mammalian  
531 cells. Supernatants were collected on the two days following transfection and  
532 concentrated by density gradient centrifugation on 10% sucrose. The concentrated  
533 pseudovirus particles were aliquoted and stored at -80°C.

534 Human cell lines and primary cells were transduced by incubation with 5 µL of the  
535 GREM1 or GFP-control virus per 100,000 cells in full growth media. Lentivirally

536 transduced LX-2 cells were sub-cultured until confluent before being flow-sorted on  
537 the BD FACS AriaTM (BD Biosciences) to obtain cells with top 10 % highest eGFP  
538 expression. No sorting was performed on primary HHSC due to limitations in cell  
539 numbers and long-term culture.

540

541 ***LX-2 pSMAD1 validation assay***

542 The human HSC cell line (LX-2) was used as in vitro bioassay to validate the  
543 inhibitory effect of anti-Gremlin antibodies on Gremlin-1 in BMP4 treated cells.  
544 Recombinant human BMP4-induced pSMAD1 signalling was measured by  
545 AlphaLISA SureFire Ultra p-SMAD1 (Ser463/465) assay kit (Perkin Elmer). To  
546 perform the assay, 30.000 cells were seeded in Fibronectin-coated 96 well plates  
547 (Nucleon Delta 96 well, Thermo Scientific #167008) and incubated at 37°C and 5%  
548 CO<sub>2</sub> overnight. The following day, anti-Gremlin antibody was serially diluted and pre-  
549 incubated with 30 nM Gremlin-1 (recombinant human, in-house produced) in assay  
550 medium (DMEM without Phenol Red + 0.2 % FBS) for 30 min at room temperature  
551 on a plate shaker at 350 RPM. Thereafter, the anti-Gremlin/Gremlin-1 mixes were  
552 pre-incubated with 0.1 nM BMP-4 (recombinant human, R&D, #314-BP/CF) for 10  
553 min at room temperature on a plate shaker at 350 RPM. The culture medium of each  
554 well in the cell plates was then discarded and replaced with 100 µL anti-  
555 Gremlin/Gremlin-1/BMP-4 mixes in duplicates and the cell plates were subsequently  
556 incubated for 60 minutes at 37°C and 5% CO<sub>2</sub>. After incubation, assay media was  
557 removed, and lysis buffer added to perform assay according to pSMAD1 assay  
558 protocol from Perkin Elmer. Phospho-SMAD1 activity was quantified on an  
559 EnVision® 2105 multimode plate reader using standard AlphaLisa settings. Dose-

560 response curves were fit using a four-parameter logistic regression and potencies  
561 were defined as the EC50s of these fits.

562

563 ***C2C12/BRE-Luc reporter gene assay***

564 To assess the inhibitory effect of anti-Gremlin antibodies on Gremlin-1, we generated  
565 a mammalian reporter cell line responsive to BMP-4. C2C12, a mouse myoblast cell  
566 line with endogenous expression of BMP receptors, was modified to stably express a  
567 BMP responsive element coupled to luciferase.

568 A BRE-MLP-Luc plasmid was constructed as described by Korchynskyi & Dijke (46)  
569 with the exception that the reporter was inserted into a pGL4.20 vector (Promega).  
570 For generating the cell line,  $1 \times 10^6$  C2C12 cells (ATCC® CRL-1772™) were seeded  
571 in 5 mL growth medium (high glucose Dulbecco's Modified Eagle's Medium (Gibco),  
572 20% fetal bovine serum (Gibco) and 1% Penicillin-Streptomycin mix (Gibco)) in a T25  
573 culture flask (Nunc) and incubated at 37°C and 5% CO<sub>2</sub>. The following day, a mixture  
574 of 1.25 mL OptiMEM (Gibco), 25 µL Lipofectamine 2000 (Invitrogen) and 10 µg BRE-  
575 MLP-Luc plasmid was added to the culture flask. On day 3, puromycin (Gibco) was  
576 added to the flask for a final concentration of 2 µg/mL to select for cells which had  
577 stably incorporated the transfected plasmid. The cells were cultured in growth  
578 medium with a supplement of 2 µg/mL puromycin until confluent, then a single cell  
579 clone was isolated. The resulting stable clone, C2C12/BRE-Luc, would emit  
580 luminescence following stimulation with BMP-4 in a concentration dependent manner  
581 upon addition of luciferase substrate.

582 The C2C12/BRE-Luc cell line was maintained in high glucose Dulbecco's Modified  
583 Eagle's Medium, 20% fetal bovine serum, 1% penicillin-streptomycin mix and 2  
584 µg/mL puromycin. To perform the assay, 6,000 C2C12/BRE-Luc cells were seeded

585 per well in 384 well tissue culture coated plates (Greiner) and incubated at 37°C and  
586 5% CO<sub>2</sub> overnight. The following day, serial dilutions of therapeutic anti-Gremlin  
587 antibody (in-house) were prepared and pre-incubated with recombinant human  
588 Gremlin-1 (in-house) for 20 min at room temperature on a plate shaker at 350 RPM.  
589 Thereafter, the anti-Gremlin/Gremlin-1 mixes were incubated with recombinant  
590 human BMP-4 (R&D, #314-BP/CF) for 20 min at room temperature on a plate shaker  
591 at 350 RPM. All dilutions were performed in high glucose Dulbecco's Modified  
592 Eagle's Medium with 1% penicillin-streptomycin, resulting in final concentrations of  
593 anti-Gremlin, Gremlin-1 and BMP-4 of 100-0.78 nM, 50 nM and 1 nM, respectively.  
594 Subsequently, culture medium was replaced with 25 µL anti-Gremlin/Gremlin-1/BMP-  
595 4 mixes in duplicates and culture plates were incubated for 6 hours at 37°C and 5%  
596 CO<sub>2</sub>. Luminescence was detected following addition of 25 µL luciferase substrate  
597 (Steady-GLO, Promega). Dose-response curves were fitted using a four-parameter  
598 logistic regression and potencies were defined as the EC50s of these fits. Efficacies  
599 were defined as the maximal amount of inhibition relative to a positive control, where  
600 no Gremlin-1 was added, in percent.

601

602 ***Gremlin-1/BMP-4 inhibition ELISA***

603 Inhibitory potential of anti-Gremlin towards Gremlin-1 binding to BMP-4 was  
604 investigated in an enzyme linked immunosorbent assay (ELISA). 384 well Maxisorp  
605 plates (Nunc) were coated with 25 µL 2 µg/mL recombinant human BMP-4 (R&D,  
606 #314-BP/CF) in 0.1 M, pH 9.6 carbonate buffer and incubated at 4°C overnight. The  
607 following day, plates were washed with phosphate buffered saline (PBS) with 0.5%  
608 Tween-20 and blocked by incubating with 1% bovine serum albumin in PBS for 4  
609 hours at room temperature on a plate shaker at 350 RPM. Meanwhile, anti-Gremlin

610 antibody was serially diluted and pre-incubated with primary amine biotinylated  
611 (degree of labelling  $\approx$  1) recombinant human Gremlin-1 (in-house) for 20 min at room  
612 temperature on a plate shaker at 350 RPM. Dilutions were performed with phosphate  
613 buffered saline with 0.2% Tween-20 and the final concentrations of anti-Gremlin  
614 antibody and biotinylated Gremlin-1 were 40-0.09 nM and 10 nM, respectively. After  
615 blocking, plates were washed as described above, and 25  $\mu$ L per well anti-  
616 Gremlin/biotin-Gremlin-1 mixes were added and incubated for 1 hour at room  
617 temperature on a plate shaker at 350 RPM. To detect plate-bound biotinylated  
618 Gremlin-1, plates were washed, as described above, and 25  $\mu$ L per well 0.06  $\mu$ g/mL  
619 streptavidin horseradish peroxidase conjugate (Thermo Scientific) was added. After  
620 15 min incubation at room temperature on a plate shaker at 350 RPM, plates were  
621 washed, as described above, and 25  $\mu$ L per well horseradish peroxidase substrate  
622 (TMB ONE ECO-TEK, Kementec) was added. The reaction was stopped after 5 min  
623 incubation by adding 25  $\mu$ L per well 10% phosphoric acid and Gremlin-1 binding to  
624 BMP-4 was quantified by detecting absorbance at 450 nm subtracted by absorbance  
625 at 620 nm. Dose-response curves were fitted using a four-parameter logistic  
626 regression and potencies were defined as the IC50s of these fits. Efficacies were  
627 defined as the maximal amount of inhibition relative to the background signal, where  
628 no biotin-Gremlin-1 was added, in percent.

629

630 ***Fluorescence polarization assay***

631 The binding affinity of Gremlin-1 or Gremlin-1-mAb mixtures to fluorescein-labelled  
632 Heparin (Heparin-FL, H7482, Thermo Fisher Scientific) was measured in a  
633 fluorescence polarization assay. A 12-point dilution series of Gremlin-1 or Gremlin-  
634 1/mAb was titrated to a constant Heparin-FL concentration of 10 nM in 20 mM

635 HEPES, 150 mM NaCl, 0.05% (v/v) polysorbate 20, pH 7.4. The highest Gremlin-1  
636 concentration assayed was thus 1  $\mu$ M, referring to the dimer. In mAb-containing  
637 samples, mAb was used at a 1.5x molar excess, i.e. 1.5  $\mu$ M at the highest  
638 concentration, and diluted alongside Gremlin-1 (so that the 1.5x molar excess was  
639 maintained throughout the dilution series). Both tested mAbs bind to Gremlin with  
640 high affinity ( $K_D < 1$  nM), so the mAb-Gremlin-1 complex can be assumed to be the  
641 dominating species in the mixture over the whole concentration range tested.  
642 Samples were incubated for 5 h at room temperature and fluorescence polarization  
643 was measured in duplicate in a 384-well plate (Cat # 784900, Greiner) on a  
644 microplate reader (Spark, Tecan), using 485/20 nm and 535/25 nm excitation and  
645 emission filters, respectively (a second measurement after 20 h confirmed that  
646 equilibrium was reached in the 5 h measurement). The binding curve was fitted with a  
647 1:1 binding isotherm in GraphPad Prism (Graph Pad software), using the equation  
648  $S = a \frac{x}{K_D + x} + b$ , with  $S$  the measured fluorescence polarization,  $b$  the fluorescence  
649 polarization signal of the unbound Heparin-FL,  $a$  the amplitude of the signal change,  
650  $x$  the Gremlin-1 concentration and  $K_D$  the binding affinity. The  $K_D$  obtained thus is an  
651 upper limit, as first order conditions are not given in the case of free Gremlin, which  
652 binds with a  $K_D$  close to the Heparin-FL tracer concentration. However, the observed  
653 trend is robust towards this treatment. The parameters  $a$  and  $b$  were shared among  
654 the fits to increase robustness of the fitting procedure.

655

#### 656 **SEC-MALS for complex formation between Gremlin-1, Heparin and mAbs**

657 To characterize complexes formed between Gremlin-1 and mAbs, samples were  
658 prepared at 5.5  $\mu$ M of Gremlin-1 (referring to the dimer) and 5.5  $\mu$ M of respective  
659 mAb in 20 mM HEPES pH 7.5, 500 mM NaCl. To assess complex formation

660 between Gremlin-1 and Heparin, a sample was prepared at 2.75  $\mu$ M Gremlin-1  
661 concentration (referring to the dimer) and 2.75  $\mu$ M Heparin (Applichem 3004,0001) in  
662 20 mM HEPES pH 7.5, 300 mM NaCl. To assess complex formation between  
663 Gremlin-1, Heparin, and mAb, samples were prepared at 2.75  $\mu$ M Gremlin-1  
664 concentration (referring to the dimer), 2.75  $\mu$ M Heparin, and 2.75  $\mu$ M of respective  
665 mAb in 20 mM HEPES pH 7.5, 300 mM NaCl. All samples were incubated for at least  
666 2 h at 7°C before injection. 50  $\mu$ L of sample were injected on a HPLC system  
667 (Alliance, Waters) and separated on a Superose 6 increase 10/300 GL column (GE  
668 Healthcare) equilibrated with 20 mM HEPES pH 7.5, 300 mM NaCl (flow: 0.5 ml/min).  
669 To analyse the mAb-Gremlin-1 complexes, a running buffer containing 20 mM  
670 HEPES pH 7.5, 500 mM NaCl was used instead. Eluting sample was detected with  
671 light scattering (miniDAWN Treos, Wyatt), RI (Optilab rEX, Wyatt) and UV detectors.  
672 The light scattering data was analysed in Astra (Wyatt), assuming a refractive index  
673 increment of 0.185 mL/g for all analyses.

674

### 675 ***Gremlin-1 cell association assay***

676 Association of Gremlin-1 to cells in culture and the ability of anti-Gremlin to prevent  
677 this association was assessed with confocal microscopy.

678 To prepare fluorescently labelled Gremlin-1, 30 nmol of the protein monomer was  
679 incubated with 20 nmol of Atto 532-NHS ester (ATTO-TEC) for 2.5 h in the dark at  
680 room temperature, in 20 mM HEPES, 500 mM NaCl, pH 7.5 as the labelling buffer.  
681 The Gremlin-1 monomer concentration in the reaction was kept at 250  $\mu$ M. The  
682 fluorescent dye stock was prepared at 9.25 mM in DMSO. After the reaction was  
683 completed, free dye was removed by buffer exchange into labelling buffer, using  
684 Zeba spin desalting columns (7K MWCO, 0.5 mL, Thermo Fisher Scientific),

685 according to the manufacturers' protocol. The degree of labelling was determined by  
686 UV/Vis spectroscopy to 0.56 dye molecules/Gremlin-1 monomer.

687 15,000 LX-2 cells per well were seeded in growth medium (high glucose Dulbecco's  
688 Modified Eagle's Medium, 2% fetal bovine serum and 1% penicillin-streptomycin mix)  
689 in a microscopy microtiter plate (CellCarrier-96 ultra, PerkinElmer). On the following  
690 day, sample solutions with 250 nM Atto-532-labelled (degree of labelling  $\approx$  1)  
691 Gremlin-1 (recombinant human, in-house) and 1 mg/mL anti-Gremlin, 1 mg/mL un-  
692 related human IgG1.1 isotype control (recombinant human, in-house) or no antibody  
693 were prepared in growth medium. Wells were emptied, 50  $\mu$ L/well sample solutions  
694 were added, and the plate was incubated for 24 hours at 37°C and 5% CO<sub>2</sub>.  
695 Following incubation, well contents were removed, and the cells were washed three  
696 times with 100  $\mu$ L/well PBS. Thereafter, cells were fixed by incubation with  
697 100  $\mu$ L/well 4% PBS-buffered paraformaldehyde for 15 min at room temperature. The  
698 cells were washed, as described above, and permeabilized by incubation with 100  
699  $\mu$ L/well 0.1% Triton X-100 in PBS for 15 min at room temperature. The cells were  
700 washed, as described above, and 100  $\mu$ L/well cell staining solution (1:5,000 HCS  
701 CellMask Blue, ThermoFisher in PBS) was added followed by a 30 min incubation at  
702 room temperature in the dark. The cells were washed, as described above, and 100  
703  $\mu$ L/well PBS was added. Immediately thereafter, the cells were imaged confocally in  
704 blue and orange channels on a High Content Imaging System (Operetta CLS,  
705 PerkinElmer).

706

707 ***Human precision-cut liver slices***

708 To study the effects of interventions targeted at Gremlin-1 in a human *ex vivo* model  
709 of liver fibrosis, we used the method of precision-cut liver slices (PCLS). Cylinders of

710 liver tissue were prepared by taking biopsies from explant livers using an 8 mm skin  
711 biopsy blade. Next, we embedded these cylinders in 3 % low-melt Agarose (A9414,  
712 Sigma) in phenol-free Hank's Buffered Salt Solution (HBSS, 14175095, Gibco) and  
713 cut 250  $\mu$ m thick sections using a vibratome (VT1200S, Leica biosystems). The  
714 slices were then equilibrated in pre-warmed full PCLS culture medium (Williams E  
715 medium + 2 % FBS + 1 % penicillin-streptomycin-L-glutamine + 1x insulin-transferrin-  
716 selenium + 100 nM dexamethasone) at 37°C for one hour, and in the meanwhile,  
717 treatment conditions were prepared in PCLS culture medium. Treatment solutions  
718 were then added at 1.5 mL per well into 3  $\mu$ m transwell inserts in a 12-well plate  
719 (GD665631, SLS). Finally, one piece of PCLS was transferred into each respective  
720 transwell and the plates were incubated for 24 h on an orbital rocker at 20 rpm, 37°C  
721 in a humidified 5% CO<sub>2</sub> atmosphere. At the end of the incubation period, liver slices  
722 were collected, snap-frozen in liquid N<sub>2</sub> and stored at -80°C until further processing.  
723 Supernatants were collected, and spun down at 10,000xg for 10 min to remove  
724 cellular debris, snap-frozen in liquid N<sub>2</sub> and stored at 80°C until further processing.

725

## 726 ***Luminescent oxygen channelling immunoassay***

727 Luminescent Oxygen Channeling assays (LOCI) were based on anti-gremlin  
728 monoclonal antibody pairs generated at Novo Nordisk A/S, Denmark. Acceptor beads  
729 (6772004L, PerkinElmer) were directly coupled to antibodies while -streptavidin  
730 coated donor beads (6760002L, Perkin Elmer) were a used in combination with  
731 biotinylated antibodies. Recombinant human gremlin protein, Novo Nordisk A/S,  
732 China, was used as calibrator material and positive control. Briefly, a mixture of the  
733 conjugated acceptor beads and the biotinylated antibodies were produced to a final  
734 concentration of 33.3  $\mu$ g/ml and 0.75  $\mu$ g/ml, respectively. In a 384 well assay plate,

735 15 µl of the mixture were added to 5 µl of plasma sample and incubated for 1 hour at  
736 room temperature (RT) in the dark. Next, 30 µl of donor beads (67 µg/ml) were added  
737 to each sample and the plate was incubated for 30min at RT. Addition of donor  
738 beads were done in a green-light room to avoid bleaching. The samples were  
739 analysed on a PerkinElmer Envision instrument. All samples were measured in  
740 duplicates.

741 ***Immunohistochemistry***

742 Rat liver samples (full-thickness slabs of left lateral lobes) were fixed 3-5 days in  
743 neutral-buffered formalin (NBF). Liver tissue was routine paraffin-embedded and  
744 sectioned (4 µm nominal thickness). Sections were stained manually with Picro Sirius  
745 Red (PSR), and in the Ventana Autostainer with anti-CD45 at 2 µg/ml (Abcam  
746 ab10558, Cambridge, UK), anti-alpha-smooth muscle actin (α-SMA) at 0.04 µg/ml  
747 (clone EPR5368, Abcam ab124964), anti-CD68 at 1.5 µg/ml (clone E307V, Cell  
748 Signaling 97778, Danvers, MA), anti-CD11b at 0.5 µg/ml (clone EPR1344, Abcam  
749 ab133357), or anti-type I collagen at 4 µg/ml (Southern Biotech 1310-01,  
750 Birmingham, AL) using heat-induced epitope retrieval at basic pH, HRP-coupled  
751 detection polymers, and the Purple chromogen. All primary antibodies were of rabbit  
752 or goat origin to avoid background from the mouse anti-gremlin therapeutic antibody.  
753 Stained liver sections were scanned as 8-bit RGB colour images (pixel size: 442 nm)  
754 using a NanoZoomer S60 digital slide scanner (Hamamatsu Photonics K.K.,  
755 Hamamatsu City, Japan). Quantitative image analysis was applied to the entire liver  
756 sections using Visiopharm Integrator System software (VIS ver. 8.4; Visiopharm,  
757 Hørsholm, Denmark). The fractional area (%) of PSR, steatosis, CD45, α-SMA,  
758 CD68, CD11b, and Col1a1 stains was expressed relative to total sectional area.

760 ***RNAscope in situ hybridization***

761 Twenty-five human diagnostic, formalin-fixed, paraffin-embedded (FFPE) histological  
762 liver needle biopsies were retrieved from the archives at Department of Pathology at  
763 Aalborg University Hospital, Denmark. The biopsies were diagnosed as normal, n=5,  
764 non-alcoholic steatohepatitis (MASH) with mild fibrosis, n=7, MASH with  
765 moderate/severe fibrosis, n=6, and MASH with cirrhosis, n=7. RNAscope duplex in  
766 situ hybridization (ISH) was performed on the Leica Biosystems BOND RX platform.  
767 RNAscope probes (Advanced Cell Diagnostics (ACD) Newark, California) directed  
768 against human GREM1 and human THY1 or COL3A1 were hybridized for 2 h at  
769 42°C using RNAscope 2.5 LS Duplex Reagent Kit (ACD) followed by RNAscope  
770 amplification. Fast red chromogenic detection of GREM1 was followed by green  
771 chromogenic detection (ACD) of THY1 or COL3A1. Sections were counterstained  
772 with haematoxylin. The GREM1-positive dot area fraction (dot area per tissue area)  
773 of single RNAscope ISH with the GREM1 probe has been quantified using HALO  
774 v3.5.3577 and the Area Quantification v2.4.2 module.

775

776 ***RNA isolation and reverse transcription***

777 RNA from cells was isolated using the RNeasy Mini Kit or RNeasy Micro Kit (74104  
778 and 74004, respectively, QIAGEN, Germany), following manufacturer's instructions,  
779 including on-column DNA digestion (RNase-Free DNase Set, 79254, QIAGEN). RNA  
780 from human liver tissue and human cirrhotic PCLS was isolated using Tri Reagent  
781 (T9424, Sigma) and 1-bromo-3-chloropropane (B9673, Sigma) according to  
782 manufacturer's instructions. Following Tri Reagent extraction, RNA clean-up was  
783 performed using the RNeasy Mini Kit according to the manufacturer's instructions,  
784 including on-column DNA digestion.

785 RNA from rat liver tissue was snap frozen in RNAlater and lysed using lysis buffer  
786 (RNAdvanced Kit, A32646, Beckman Coulter), 20 $\mu$ L Proteinase K on a TissueLyser II  
787 (Qiagen) for 2 min at 25 Hz and 3 min at 30 Hz. After adding additional 350  $\mu$ L of  
788 lysis buffer, samples were incubated at 37°C for 25 min. RNA was then isolated  
789 using Agencourt RNAdvanced Tissue Kit on a Biomek i7 (Beckman Coulter), including  
790 DNase treatment (RNase-free DNase1, Qiagen), according to manufacturer's  
791 instructions.

792 RNA concentrations were determined on a spectrophotometer (NanoPhotometer  
793 Classic, Implen, or NanoDrop 8000, Thermo Scientific) and reverse-transcribed to  
794 cDNA with the High-capacity cDNA Reverse Transcription Kit (4368813, Applied  
795 Biosystems) or iScript Supermix reverse transcriptase (#1708841, BioRad) according  
796 to manufacturer's instructions.

797

### 798 **Quantitative PCR**

799 Gene expression on human cells and tissue was quantified using TaqMan™ assays  
800 (Fisher Scientific, Supplementary Table 3) and Luna® Universal qPCR Master Mix  
801 (M3003E, New England BioLabs) on a LightCycler 480 II (Roche Diagnostics)  
802 according to manufacturer's instructions. Gene expression was normalized to the  
803 expression of SRSF4 or a combination of SRSF4, HRPT1, ERCC3 and CTCF for cell  
804 culture or liver tissue expression, respectively.

805 Gene expression on rat liver was quantified using TaqMan™ assays (Fisher  
806 Scientific, Supplementary Table 3) and TaqMan fast advanced mastermix (Thermo  
807 #4444964, Thermo Fisher Scientific) on a QuantStudio 7 Real-Time PCR system  
808 (Thermo Fisher Scientific) according to manufacturer's instructions. Gene expression  
809 was normalised to peptidylpropyl isomerase B (*PPIB*) mRNA levels.

810 Expression of GREM1, eGFP and GAPDH mRNA in lentivirally transduced cells was  
811 quantified using custom-made primers (Sigma, Supplementary Table 4) and  
812 PowerUp™ SYBR™ Green Master Mix (A25741, Applied Biosystems) on a  
813 LightCycler 480 II. Gene expression was normalized to the expression of GAPDH.

814

815 ***RNA sequencing***

816 RNA was isolated as described above and quality checked on a spectrophotometer.  
817 RNA was then submitted to Genomics Birmingham at the University of Birmingham  
818 for further quality control, library preparation and sequencing. Quality control was  
819 performed using Qubit High Sensitivity RNA assay (Q32852, Invitrogen™) on a Qubit  
820 2.0 fluorometer (Invitrogen) and RNA ScreenTape (5067-5576, Agilent) on the  
821 Agilent TapeStation 4200. Single-end 75 base-pair libraries were generated using the  
822 QuantSeq 3' mRNA-Seq Library Prep Kit FWD for Illumina (015.96, Lexogen) with an  
823 RNA input of 100 ng. Quality of libraries was then checked using the Agilent  
824 TapeStation D1000 ScreenTape (5067-5582, Agilent) and Qubit dsDNA High  
825 Sensitivity kit (Q32851, Invitrogen). Finally, pooled libraries at 1.6 pM were  
826 sequenced on the NextSeq 500 sequencing platform (Illumina) on a NextSeq Mid  
827 150 flowcell.

828 Raw sequencing files were obtained from Genomics Birmingham at the University of  
829 Birmingham. Adapter and quality trimming were performed using fastp using the  
830 adapter sequence GATCGGAAGAGCACACGTCTGAACCTCCAGTCAC and settings  
831 --trim\_poly\_g --trim\_poly\_x --cut\_tail --cut\_window\_size=4 --cut\_mean\_quality=20  
832 --disable\_quality\_filtering --low\_complexity\_filter --complexity\_threshold=30  
833 --length\_required 36.

834 After quality control with fastqc, gene abundance was quantified using a decoy-aware  
835 transcriptome index (transcriptome gencode version 29, genome GRCh38) and  
836 salmon 1.5.9 with default settings. Downstream data import into R and differential  
837 gene expression analysis were performed as described for publicly available RNAseq  
838 data using the tximport and DESeq2 packages.

839

840 ***Analyses of publicly available transcriptome datasets***

841 Publicly available datasets from liver tissue transcriptome experiments were retrieved  
842 from the Gene Expression Omnibus (GEO), the European Nucleotide Archive and  
843 ArrayExpress (47–49).

844 Raw sequencing data were transferred to the public Galaxy server usegalaxy.org to  
845 pre-process the data (50). Data were transformed to standard FASTQ format using  
846 the fasterq-dump function. Quality control, quality and adapter trimming were  
847 performed with fastp and default settings (51). The trimmed sequencing files were  
848 then aligned to the human Gencode reference transcriptome (version 36, available  
849 from <https://www.gencodegenes.org/human>) using salmon quant from the  
850 pseudoalignment tool salmon with --validateMappings, --seqBias and --gcBias  
851 turned on with default settings (52). For downstream analyses, gene or transcript  
852 counts were imported into R using the tximport pipeline for salmon output (53).  
853 Differential gene expression was performed with the DESeq2 package using the  
854 likelihood ratio test or the Wald test as appropriate (54). Variance stabilised  
855 expression values, obtained using the vst function in DESeq2, were used for  
856 visualisation of gene expression.

857 Raw count matrices for liver single-cell RNA sequencing datasets were obtained from  
858 the GEO server (GSE136103, (26)) and the Liver Cell Atlas website (GSE192742,  
859 (27,55)).

860 Low quality cells were removed if the number of detected features was below 300 or  
861 the percentage of mitochondrial genes per cell was higher than 30 percent. Following  
862 quality filtering, gene expression was normalised by cluster-based log-normalisation  
863 using the igraph method in the quickCluster function from the scran package (56).  
864 Variable features were identified using the fitted mean-variance calculated with the  
865 modelGeneVar function with default settings. Doublet contamination was removed  
866 using the default method of the doubletFinder v3 package (57).

867 Following quality control and cleaning of both datasets separately, both datasets  
868 were integrated based on their common genes and using the reciprocal principal  
869 component analysis (RPCA) method implemented in the Seurat v4 package (58).  
870 Based on the integrated gene expression matrix, data scaling, principal component  
871 analysis and nearest neighbour graph-based clustering were performed using the  
872 standard Seurat workflow. Cell types were manually annotated by marker gene  
873 expression obtained from the FindConservedMarkers function in Seurat v4 and  
874 based on the annotation provided by the Guilliams lab (27).

875

876 ***Data availability***

877 RNA sequencing data have been deposited in the Gene Expression Omnibus under  
878 accession number GSE245977.  
879 <https://www.ncbi.nlm.nih.gov/geo/query/acc.cgi?acc=GSE245977>

880

881 **Statistical analysis**

882 All statistical analyses were performed R version 4.2 and using the *rstatix* or  
883 *PMCMRplus* package. Graphs were drawn using *ggplot2*, *ggpubr* and *ggprism*  
884 packages. Data are shown as means  $\pm$  SD, if not stated otherwise. Normal  
885 distribution was tested by inspecting QQ plots and by Shapiro-Wilks test. To test for  
886 homogeneity of variance we used Levene procedure. Depending on data distribution,  
887 we used the following statistical procedures: One-way analysis of variance (ANOVA),  
888 Two-way ANOVA, Welch's test or Kruskall-Wallis test with post-hoc Bonferroni-Holm,  
889 Dunnett, Dunnett-T3 or Dunn-Holm correction and for testing of ordinal or nominal  
890 data the  $\chi^2$ -test. Four parameter log-logistic regression analysis for dose-response  
891 experiments was performed using the *drc* package and LL.4 starter function in R. An  
892 alternative hypothesis was accepted if two-sided  $p < 0.05$ .

893

894 **Author contributions**

895 PH, CJW, MFT and PNN drafted and wrote the manuscript. JN, KA, BMV, AH, FZ,  
896 HD, SP, PLN, MGR, MRR, ES, EN and PFL developed assays. PH, JN, KA, BMV,  
897 AH, FZ, HD, SP, PLN and MGR performed experiments. EDG and MV procured and  
898 interpreted clinical data and liver biopsy specimen. PH, JN, KA, BMV, AH, FZ, HD,  
899 SP, PLN, PFL, CJW, MFT and PNN analysed and interpreted the data. PH  
900 performed bioinformatics analyses of NGS data. All authors critically revised the  
901 manuscript and approved the final version.

902

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921 **Conflict of interest**

922 PH, PFL and CJW report research funding from Novo Nordisk through the University  
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924 JN, KA, BMV, EDG, AH, FZ, HD, SP, PLN, MGR, MFT are full-time employees of  
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930

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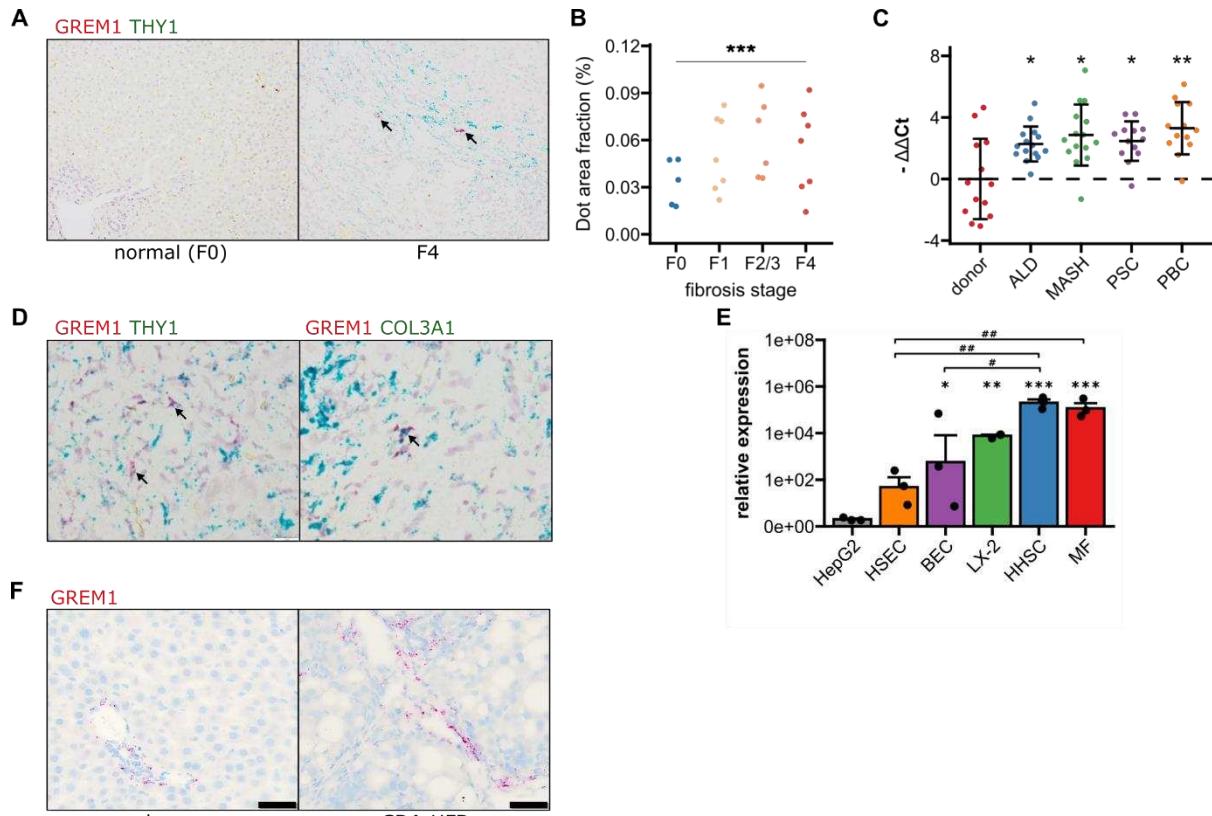
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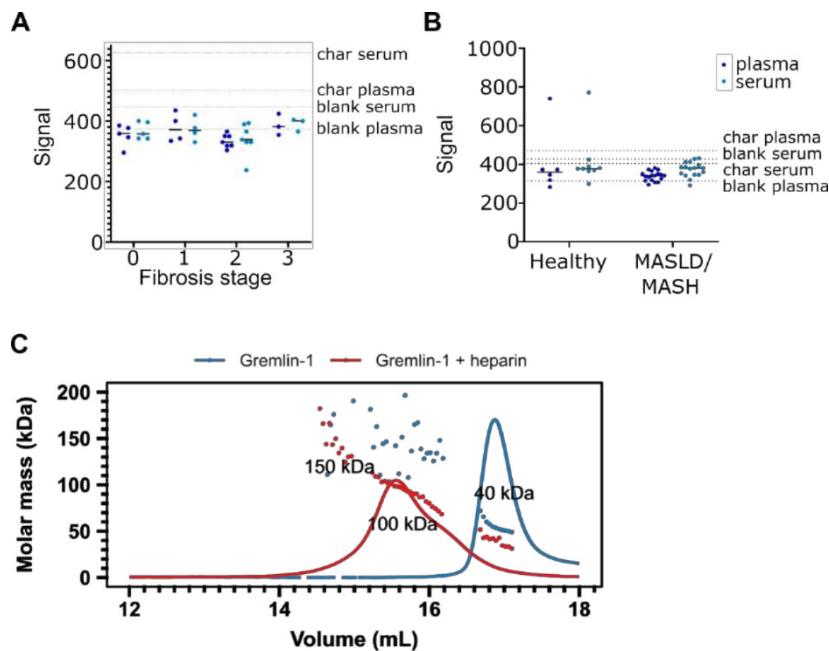
1111 **Figures**



1112

1113 **Figure 1: Validation of GREM1 expression in human and rat MASH liver fibrosis**

1114 A. Representative RNAcope in situ hybridisation (ISH) images for co-staining of GREM1 (red) and THY1  
1115 (green) in normal human liver and MASH fibrosis.  
1116 B. Quantification of ISH staining areas across different stages of liver fibrosis. Significance was assessed  
1117 by two-sided Jonckheere-Terpstra test ( $***p=1.3\times 10^{-9}$ ).  
1118 C. Quantification of human GREM1 qPCR across chronic liver diseases of different aetiology. Data are  
1119 given as mean  $-\Delta\Delta Ct \pm SD$ , relative to donor liver and normalised to the expression of SRSF4, HPRT1,  
1120 and ERCC3. Significance was assessed by multiple two-sided paired Welch t-test against donor control,  
1121 followed by Bonferroni-Holm adjustment ( $*p<0.05$ ,  $**p=0.004$ ).  
1122 D. Representative histological images of RNAcope in situ hybridisation (ISH) for co-staining of GREM1  
1123 (red) and THY1 or COL3A1 (green) in MASH fibrosis. Representative double positive cells are indicated  
1124 by arrows.  
1125 E. Quantification of qPCR for GREM1 mRNA in major primary human non-parenchymal cell types. HSEC –  
1126 human sinusoidal endothelial cells, BEC – biliary epithelial cells, HHSC – human hepatic stellate cells,  
1127 MF – myofibroblasts.  
1128 F. Left panel shows representative RNAcope in situ hybridisation (ISH) images for GREM1 (red) in rats  
1129 fed a standard chow or CDA-HFD for 12 weeks. Right panel shows scoring of ISH staining intensity  
1130 comparing livers from chow- and CDA-HFD-fed animals.



1131

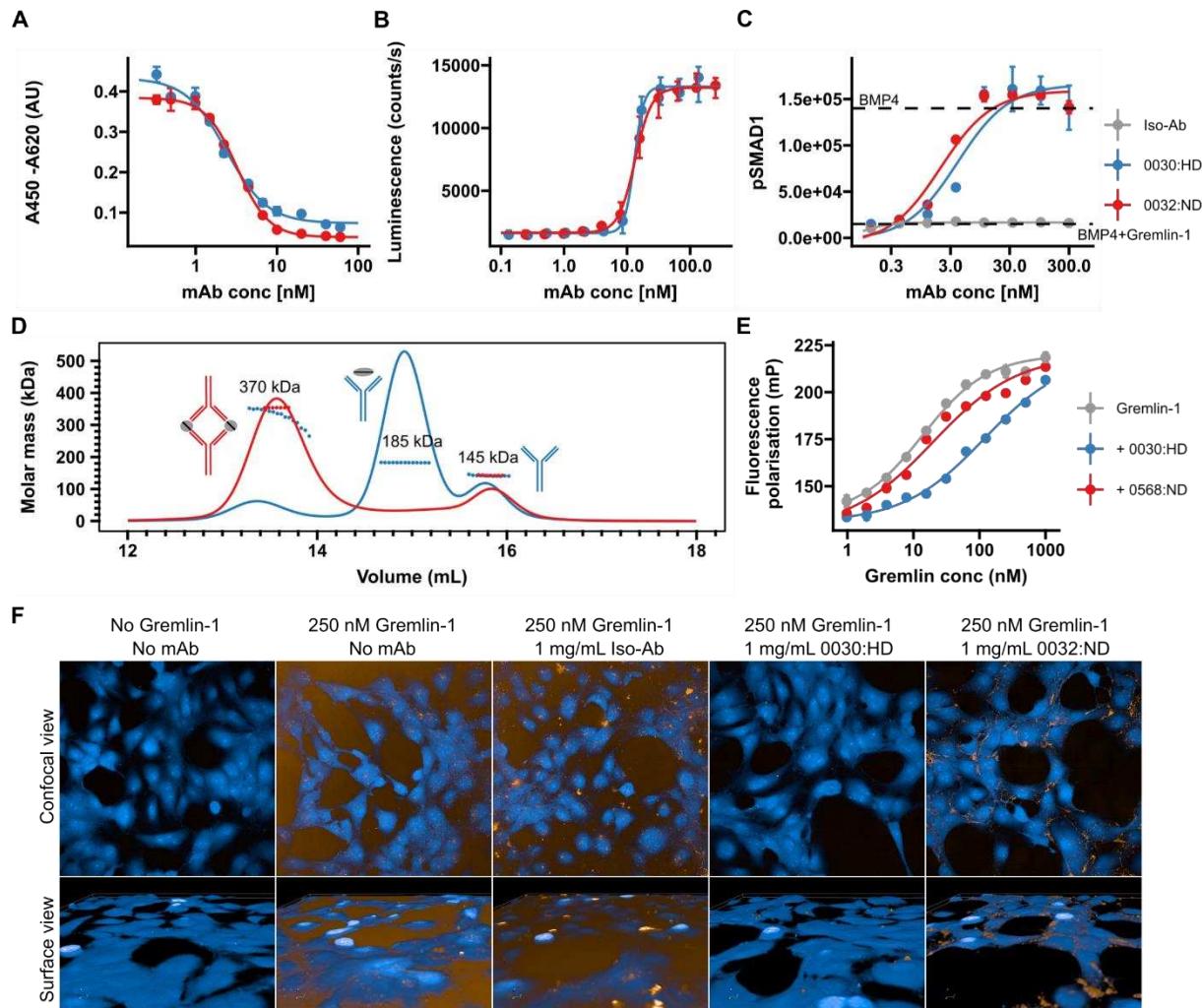
1132 **Figure 2: Circulating Gremlin-1 and evidence for heparin-binding**

1133 A. Signal for Gremlin-1 protein in the LOCI assay in serum or plasma of MASH patients at different stages of  
1134 fibrosis. Char serum/plasma – charcoal stripped serum/plasma

1135 B. Signal for Gremlin-1 protein in the LOCI assay in serum or plasma of healthy controls and MASLD/MASH.  
1136 Data in A and B are given as single data points and median of luminescence signal. Dotted horizontal lines  
1137 correspond to signal measured in control matrices, as given in text annotations.

1138 C. Size exclusion chromatography for Gremlin-1 and heparin. Either gremlin-1 or gremlin-1 + heparan sulphate  
1139 were run on a size exclusion chromatography column. The graph shows UV signal (continuous line) and  
1140 estimated molar mass (points) on the y-axis depending on the eluting volume given on the x-axis. Text  
1141 annotations give the estimated molar mass corresponding to each peak.

1142



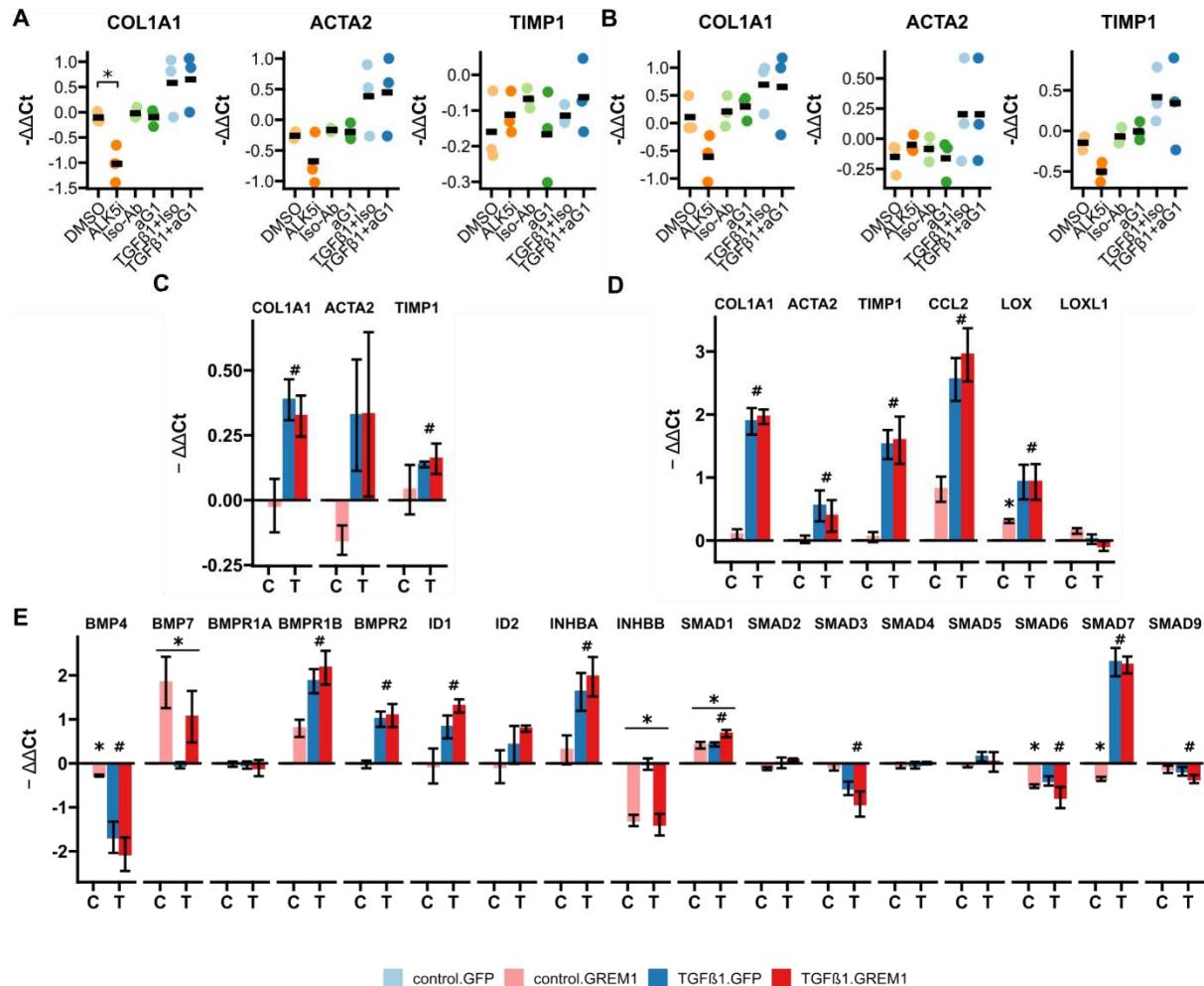
1143

**Figure 3: Validation of human recombinant anti-Gremlin-1 antibodies**

1144

- Gremlin-1/BMP4 inhibition ELISA, measuring aG1-Ab ability to inhibit Gremlin-1 binding to BMP4. Higher absorbance indicates more Gremlin-1 binding to BMP4.  $IC_{50} = 2.7 - 3.1 \times 10^{-9} M$ . Dots and error bars represent mean  $\pm$  SD and lines show fitted four parameter log-logistic curve.
- C2C12 BMP-responsive element Luc reporter gene assay. Luminescence is plotted over response to serial dilutions of anti-Gremlin-1 antibodies with higher luminescence indicating increased BMP4 activity. Dots and error bars represent mean  $\pm$  SD and lines show fitted four parameter log-logistic curve.  $EC_{50} = 1.27 - 1.36 \times 10^{-8} M$ .
- SMAD1 phosphorylation on LX-2 cells treated with either BMP4, BMP4 and Gremlin-1 or BMP4, Gremlin-1 and serial dilutions of therapeutic antibody. Dots and error bars represent mean  $\pm$  SD and lines show fitted four parameter log-logistic curve.  $K_D [0032] = 2.04 nM$ ,  $K_D [0030] = 3.96 nM$ .
- Size-exclusion chromatography for Gremlin-1 in combination with heparin-displacing ('0030) or non-heparin-displacing ('0032) anti-Gremlin-1 antibody. The graph shows UV signal (continuous line) and estimated molar mass (points) on the y-axis depending on the eluting volume on the x-axis. Text annotations give the estimated molar mass corresponding to each peak.
- Fluorescence polarisation heparin-binding assay. Serial dilutions of Gremlin-1 were incubated with fixed amounts of fluorescein-heparan sulfate and 1.5-fold molar excess anti-Gremlin-1 antibody. Increased fluorescence indicates reduced mobility of heparin molecules. Dots and error bars represent mean  $\pm$  SD and lines show fitted four parameter log-logistic curve.  $K_D [Gremlin] = 13.54 nM$ ,  $K_D [0032] = 19.56 nM$  and  $K_D [0030] = 118.65 nM$ .
- Gremlin-1 cell association assay. The upper panel shows a confocal view and the lower panel a three-dimensional cell surface view for Atto-532-labelled Gremlin-1 (yellow) on LX-2 cells (labelled with CellMask Blue). Representative images for different combinations of 250 nM Gremlin-1 and isotype or anti-Gremlin-1 antibodies are given.

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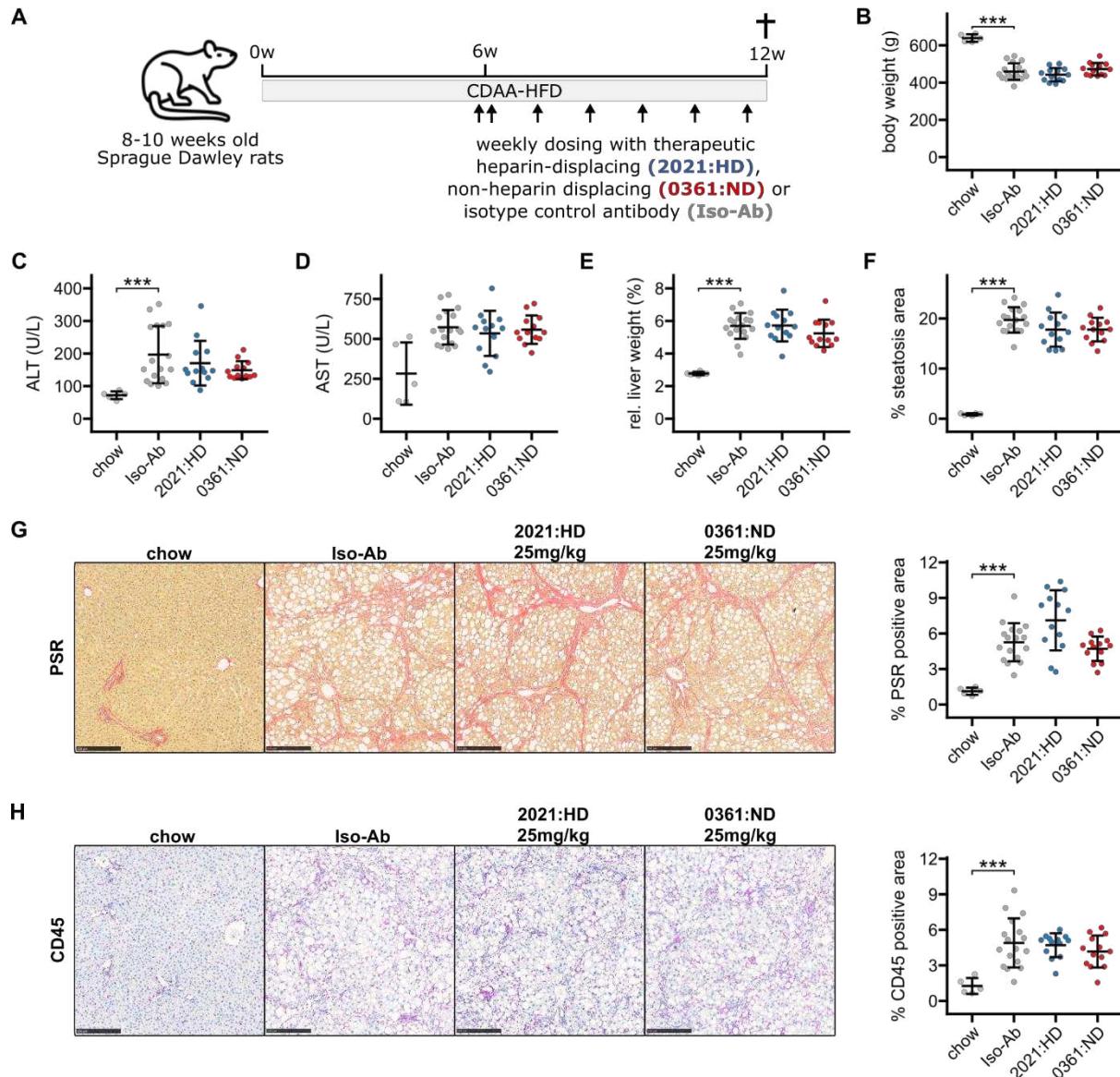
**Figure 4: RTqPCR results for anti-Gremlin-1 and lenti-GREM1-treated fibrogenic cells**

1171 A. Fibrogenic marker genes in primary human hepatic stellate cells treated with anti-Gremlin-1 (aG1)  
 1172 or isotype control antibodies (iso-Ab).  
 1173 B. Fibrogenic marker genes in primary human hepatic myofibroblasts treated with anti-Gremlin-1 or  
 1174 isotype control antibodies.  
 1175 C. Fibrogenic gene expression in lentivirally transduced HHSC.  
 1176 D. Fibrogenic gene expression in lentivirally transduced LX-2.  
 1177 E. BMP signalling related gene expression in lentivirally transduced LX-2.

1178 A-B: Data are presented as individual data points and mean for  $-\Delta\Delta Ct$  relative to untreated control and normalised  
 1179 to the expression of SRSF4. \* $p<0.05$  in One-Way ANOVA and *post-hoc* paired t-tests for pre-defined  
 1180 comparisons with Bonferroni-Holm adjustment.

1181 C-E: Data are given as mean  $\pm$  SEM of  $-\Delta\Delta Ct$  relative to GFP and vehicle control and normalised to the  
 1182 expression of SRSF4. \* $p<0.05$  in GREM1 vs GFP-control, # $p<0.05$  in TGF $\beta$ 1 vs vehicle control in repeated  
 1183 measures Two-way ANOVA and *post-hoc* paired t-test for pre-selected comparisons and Bonferroni-Holm  
 1184 adjustment.

1185



1186

1187 **Figure 5: Results for anti-Gremlin-1 antibody treatment on CDAA-HFD induced MASH and fibrosis in rats**

1188 A. Schematic showing the study design for the animal experiment. 8-12 weeks old Sprague Dawley rats  
 1189 were fed a choline-deficient, L-amino acid defined high fat diet (CDAA-HFD) or standard chow for 12  
 1190 weeks and treated with weekly subcutaneous injections of heparin-displacing, non-heparin-displacing or  
 1191 isotype control antibodies for the last 6 weeks.

1192 B. Quantification of body weight in grams at the end of the study.

1193 C. Quantification of plasma alanine aminotransferase (ALT) in U/L.

1194 D. Quantification of plasma aspartate aminotransferase (AST) in U/L.

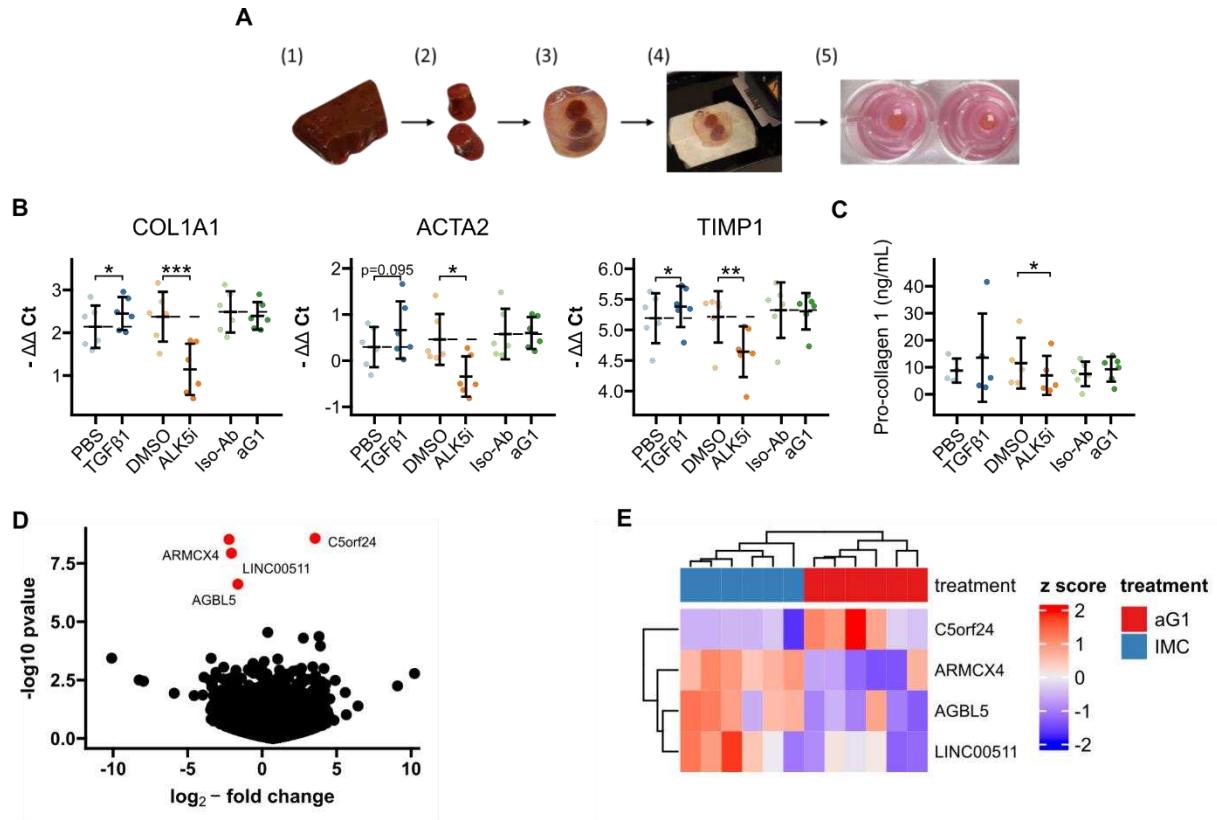
1195 E. Quantification of relative liver weight percent of total body weight.

1196 F. Quantification of histological liver steatosis area in percent. Data are given as mean  $\pm$  SD for n=5 (chow),  
 1197 n=17 (Iso-Ab) and n=13 (2021 & 0361) animals per group.

1198 G. Left panel shows representative histological images for picosirius red staining for different treatment  
 1199 conditions. Scale bars represent 250  $\mu$ m. Right panel shows quantification of picosirius red staining  
 1200 (PSR) in percent of total area.

1201 H. Left panel shows representative histological images for CD45 IHC for different treatment conditions.  
 1202 Scale bars represent 250  $\mu$ m. Right panel shows quantification of CD45 IHC in percent of total area.

1203  
 1204 Data are given as mean  $\pm$  SD for n=5 (chow), n=17 (Iso-Ab) and n=13 (2021 & 0361) animals per group.  
 1205 Significance was determined by multiple two-sided paired Welch t-tests against Iso-Ab, followed by  
 1206 Bonferroni-Holm adjustment (\*\*p<0.001).



1207

1208 **Figure 6: PCLS**

1209 A. Schematic for generation of human cirrhotic PCLS. (1) Human cirrhotic liver tissue was obtained from explants  
1210 and (2) 8 mm biopsy cores were taken. (3) Tissue samples were then embedded in low-melt agarose before  
1211 (4) being cut into 250  $\mu$ m thin slices on a vibratome. (5) Finally, slices were incubated in 8  $\mu$ m 12-well inserts  
1212 for 24 hours under constant agitation.

1213 B. RTqPCR results for fibrogenic marker genes in cirrhotic PCLS. Data are given as individual data points and  
1214 mean  $\pm$  SD for  $-\Delta\Delta Ct$  relative to untreated control and normalised to the geometric mean of SRSF4, HPRT1,  
1215 CTCF and ERCC expression. \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$  in One-Way ANOVA and post-hoc paired t-  
1216 tests for pre-defined comparisons with Bonferroni-Holm adjustment.

1217 C. Pro-collagen 1 protein levels in PCLS culture supernatants. Data are given as individual data points and mean  
1218  $\pm$  SD. \* $p < 0.05$  in One-Way ANOVA and post-hoc paired t-tests for pre-defined comparisons with Bonferroni-  
1219 Holm adjustment.

1220 D. Volcano plot of differential gene expression analysis of 3' QuantSeq mRNA sequencing showing log2 -fold  
1221 changes and the negative decadic logarithm of unadjusted p-values for all expressed genes in aG1 vs Iso-Ab  
1222 treated PCLS. Significantly regulated genes (i.e. adj. p-value  $< 0.05$ ) are labelled and marked in red.

1223 E. Heatmap showing centred and scaled gene expression for significantly regulated genes.

1224 The anti-Gremlin-1 antibody (aG1) used for experiments in panels B and C was the 0030:HD antibody.  
1225

1226 **Tables and their legends**

1227

1228 **Table 1: Clinical baseline characteristics of the FLINC cohort (Fig. 2A and B)**

	Control (N =6)	MASLD (n = 19)	p
Age, years	45.5 (27.3-63.0)	56.0 (45.5-60.0)	0.36*
Sex (Female), N(%)	3 (50)	0 (47.4)	1**
Diabetes, N(%)		10 (52.6)	
Hypertension, N(%)		10 (52.6)	
Dyslipidaemia, N(%)		10 (52.6)	
BMI	23.1 (22.5-24.7)	30.6 (28.3-33.4)	0.0001*
NAS		5 (4-6)	
Fibrosis stage, N(%)			
0		5 (26.3)	
1		4 (21.1)	
2		7 (36.8)	
3		3 (15.8)	

1229 Continuous data: median with p25-p75

1230 \*Mann-Whitney U test

1231 \*\* fisher's test

1232

1233

## Supplementary Material

1234

### 1235 **Evaluation of Gremlin-1 as a therapeutic target in metabolic** 1236 **dysfunction-associated steatohepatitis**

1237

1238 Paul Horn, Jenny Norlin, Kasper Almholt, Birgitte M. Viuff, Elisabeth D. Galsgaard,  
1239 Andreas Hald, Franziska Zosel, Helle Demuth, Svend Poulsen, Peder L. Norby,  
1240 Morten G. Rasch, Mogens Vyberg, Marco R. Rink, Emma Shepherd, Ellie Northall,  
1241 Patricia F. Lalor, Chris J. Weston, Morten Fog-Tonnesen and Philip N. Newsome

1242

1243

1244 **Supplementary Tables**

1245

1246 **Supplementary Table 1: Rat CDAA-HFD study: clinical chemistry and histological results for all antibody concentrations**

	chow	Iso-Ab	2021				0361		
			25	2.5	1	0.25	25	2.5	1
body weight (g)	639±20	459±45	443±36	438±36	442±28	447±42	473±33	453±41	446±47
ALT (U/mL)	72±12	197±88	170±69	247±209	155±47	194±66	149±28	170±34	191±71
AST (U/mL)	283±195	572±108	534±141	551±101	522±82	607±103	558±89	518±157	587±114
relative liver weight (%)	2.77±0.11	5.7±0.79	5.72±0.97	5.79±1.12	6.03±0.86	5.45±0.82	5.24±0.84	5.58±1.01	5.48±0.82
steatosis (% area)	0.85±0.23	19.7±2.53	17.77±3.41	18.46±3.36	18.36±3.46	16.76±3.01	17.78±2.35	19.25±2.66	18.12±3.54
PSR (% area)	1.12±0.31	5.26±1.61	7.11±2.54	5.58±2.82	6±2.83	5.78±2.62	4.71±1.03	5.54±2.36	6±2.59
CD45 (% area)	1.26±0.67	4.89±2.07	4.7±1.01	4.03±1.14	5.87±2.68	7.18±2.8	4.17±1.35	5.81±3.76	4.74±2.07
Collagen 1 (% area)	2.59±1.47	10.9±2.6	13.62±3.14	13.15±6.51	13.37±4.44	14.35±6.42	10.49±2.68	11.32±4.14	12.62±4.46
aSMA (% area)	0.83±0.16	13.15±3.16	13.75±2.41	11.82±2.42	14±2.67	13.56±3.14	12.25±2.68	12.84±2.05	13.43±2.88
CD68 (% area)	3.79±0.5	14.45±2.37	15.16±2.11	14.81±3.35	14.69±2.72	15.73±3.27	13.34±2.4	14.14±2.91	14.49±2.51
CD11b (% area)	0.07±0.04	0.68±0.53	0.84±0.71	0.54±0.42	0.91±0.57	0.96±0.89	0.67±0.5	0.9±0.89	0.75±0.59

1247 All data are given as mean ± SD

1248

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1250

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1252

Supplementary Table 2: Rat CDAA-HFD study: qPCR results for all antibody concentrations

	chow	Iso-Ab	2021				0361		
			25	2.5	1	0.25	25	2.5	1
Col1a1	0±1.13	6.97±0.78	6.95±0.71	6.82±0.63	7.12±0.95	7.39±0.57	7.09±0.69	7.03±0.73	6.97±0.78
Col3a1	0±0.72	3.63±0.68	3.4±0.48	3.58±0.54	3.81±0.58	3.97±0.39	3.77±0.37	3.75±0.52	3.79±0.8
Grem1	0±0.51	3.33±0.55	3.37±0.37	3.28±0.36	3.66±0.64	3.75±0.46	3.49±0.39	3.47±0.35	3.42±0.35
Mki67	0±0.52	4.53±0.54	4.59±0.46	4.54±0.69	4.83±0.71	4.59±0.57	4.79±0.54	4.55±0.6	4.27±0.61
Tgfb1	0±1.14	4.12±1.32	4.44±0.62	4.24±0.83	4.02±2.17	4.57±0.53	4.08±1.11	4.35±0.65	4.5±0.64
Timp1	0±0.25	4.35±0.36	4.5±0.36	4.36±0.51	4.5±0.61	4.47±0.29	4.3±0.4	4.26±0.35	4.35±0.4
Tnf	0±1.22	2.96±1.13	3.52±1.09	3.1±0.78	3.55±0.99	3.82±1.11	3.54±0.77	3.46±0.95	3.61±0.91

1253

All data are given as mean ± SD

1254 **Supplementary Table 3: Table of Taqman Assay IDs**

Species	Target	Assay ID
Human	ACTA2	Hs01879841_s1
	AFTPH	Hs00214281_m1
	BMP2	Hs00154192_m1
	BMP4	Hs00370078_m1
	BMP7	Hs00233476_m1
	BMPR1A	Hs04980288_g1
	BMPR1B	Hs01010965_m1
	BMPR2	Hs00176148_m1
	COL1A1	Hs00164004_m1
	CTCF	Hs00902016_m1
	ERCC3	Hs01554457_m1
	GREM1	Hs01879841_s1
	HPRT1	Hs02800695_m1
	ID1	Hs00357821_g1
	ID2	Hs00747379_m1
	INHBA	Hs01081598_m1
	INHBB	Hs00173582_m1
	SMAD1	Hs00195432_m1
	SMAD2	Hs00998187_m1
	SMAD3	Hs00969210_m1
	SMAD4	Hs00929647_m1
	SMAD5	Hs00195437_m1
	SMAD6	Hs00178579_m1
	SMAD7	Hs00998193_m1
	SMAD9	Hs00931723_m1
	SRSF4	Hs00194538_m1
	TIMP1	Hs01092512_g1
Rat	B2m	Rn00560865_m1
	Actb	Rn00667869_m1
	Gapdh	Rn01775763_g1
	Col3a1	Rn01437681_m1
	Col1a1	Rn01463848_m1
	Tgfb1	Rn00572010_m1
	Mki67	Rn01451446_m1
	Timp1	Rn01430873_g1
	TNF	Rn99999017_m1
	Grem1	Rn01509832_m1

1255 All Taqman assays were purchased from ThermoFisher Scientific

1256

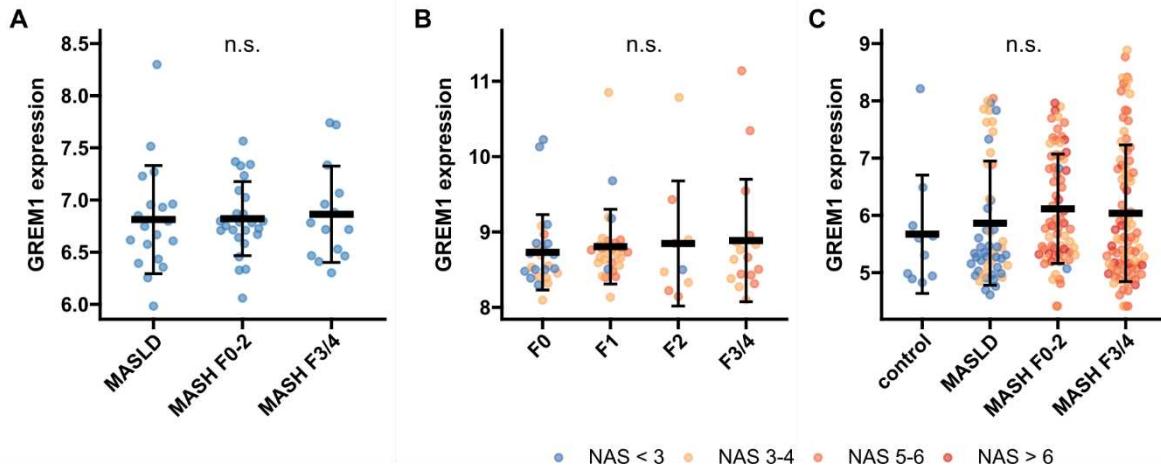
1257

**Supplementary Table 4: Custom-made primer sequences**

<b>Target</b>	<b>Primer</b>	<b>Sequence</b>
GAPDH	GAPDH_116bp_fw	5' - CTC TGC TCC TCC TGT TCG AC - 3'
	GAPDH_116bp_rv	5' - CAA TAC GAC CAA ATC CGT TGA C - 3'
GFP	GFP_109bp_fw	5' - GCT ACC CCG ACC ACA TGA AG - 3'
	GFP_109bp_rv	5' - CGG GTC TTG TAG TTG CCG T - 3'
GREM1	GREM1_109bp_fw	5' - GAG CCC TGC TTC TCC TCT TG - 3'
	GREM1_109bp_rv	5' - TCT GAG TCA TTG TGC TGG GC - 3'

1258 **Supplementary Figures**

1259



1260

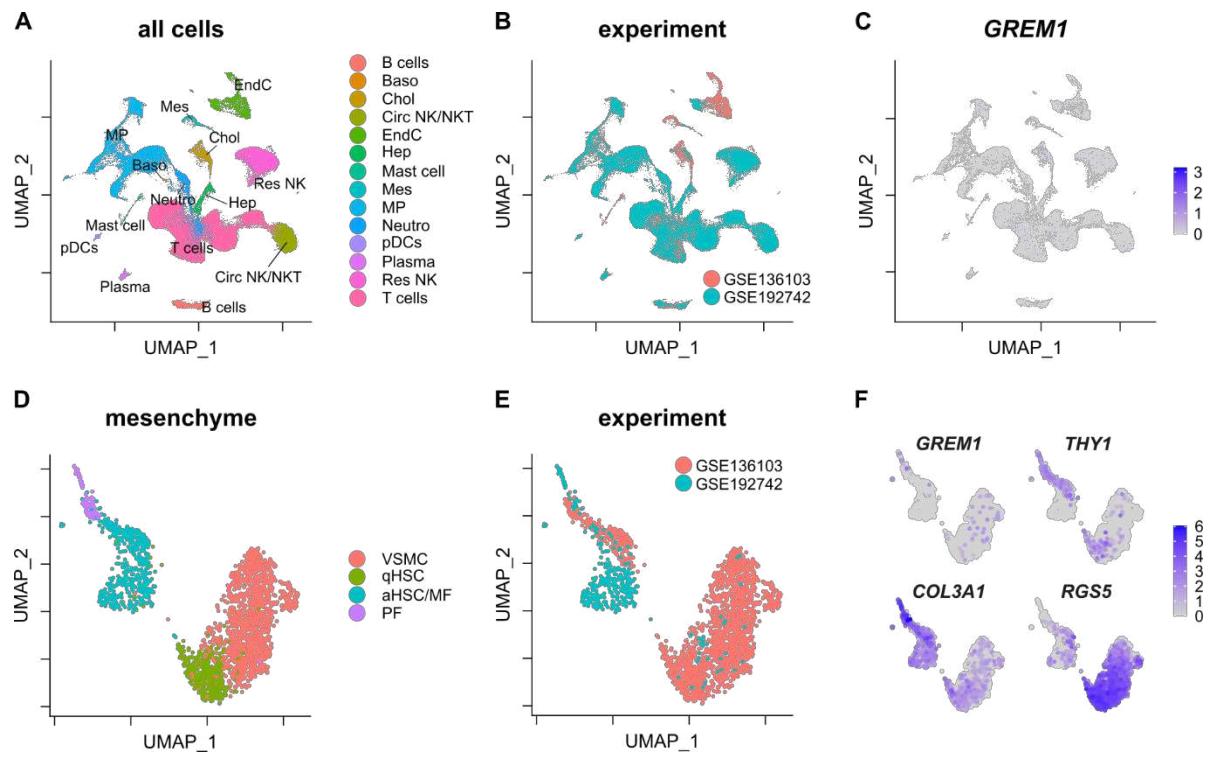
1261 **Supplementary Figure 1: GREM1 gene expression in public bulk RNAseq data from human MASLD liver**

1262 A. E-MTAB-9815 (n = 58).  
1263 B. GSE130970 (n = 78).  
1264 C. GSE135251 (n = 216).

1265 All data are given as individual data points and mean $\pm$ SD of variance stabilised expression as obtained from the  
1266 vst function in DESeq2.

1267 n.s. – not significant, statistical significance was tested using the likelihood ratio test and Benjamini Hochberg  
1268 correction in DESeq2.

1269



1270

1271 **Supplementary Figure 2: GREM1 expression in publicly available human scRNA-seq data**

1272 A. UMAP representation of all cells in GSE136103 and GSE192742 scRNA-sequencing datasets. Cells are  
1273 coloured by cell type identity.

1274 B. UMAP representation of all cells in GSE136103 and GSE192742 scRNA-sequencing datasets. Cells are  
1275 coloured by experiment.

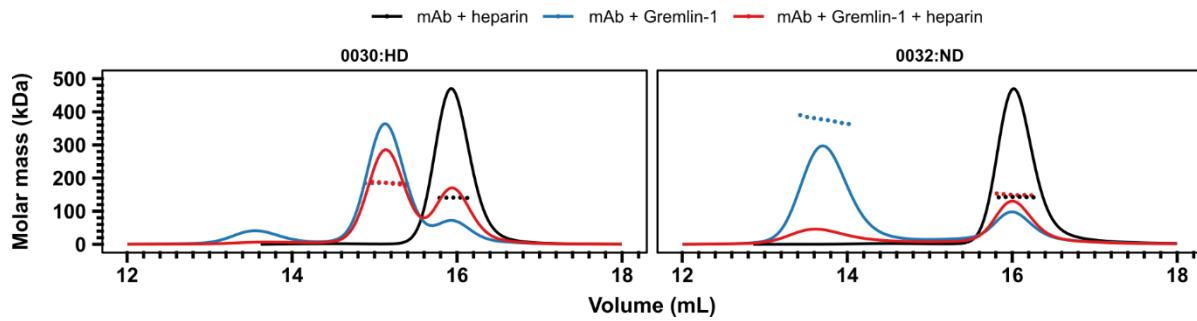
1276 C. Log<sub>2</sub>-normalised GREM1 gene expression in all cells.

1277 D. UMAP representation of mesenchymal cells in GSE136103 and GSE192742 scRNA-sequencing  
1278 datasets. Cells are coloured by cell cluster identity.

1279 E. UMAP representation of mesenchymal cells in GSE136103 and GSE192742 scRNA-sequencing  
1280 datasets. Cells are coloured by experiment.

1281 F. Log<sub>2</sub>-normalised gene expression of GREM1, THY1, COL3A1 and RGS5 in mesenchymal cells.

1282

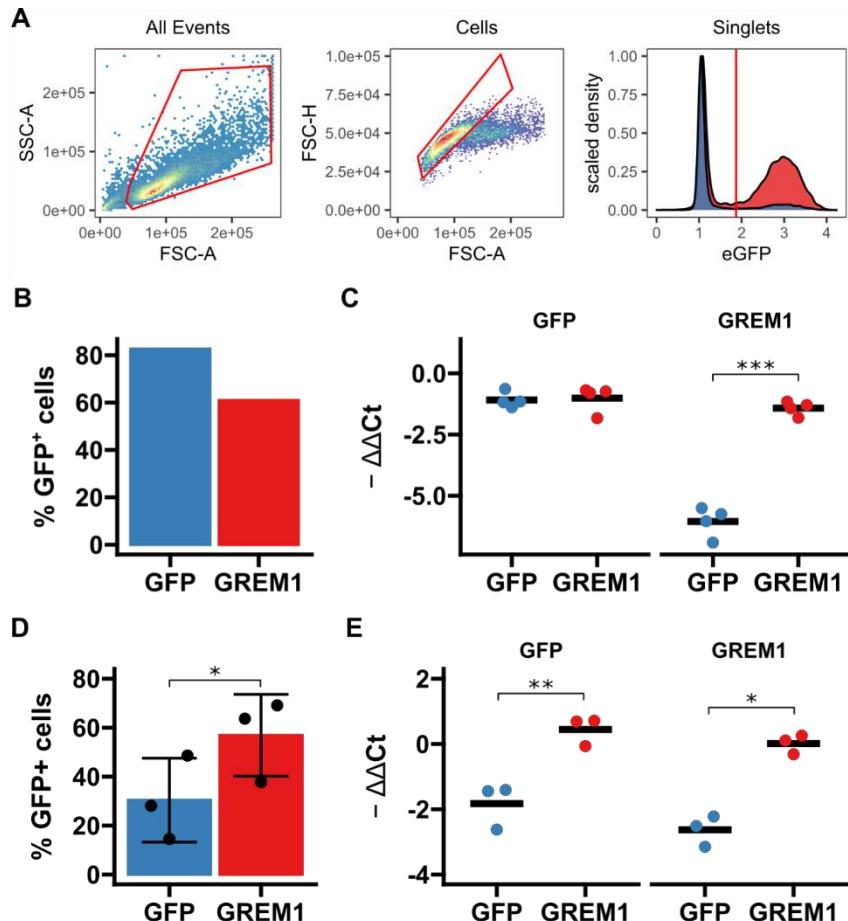


1283

1284 **Supplementary Figure 3: Size-exclusion chromatography for Gremlin-1-anti-Gremlin-1-heparin complexes**

1285 Different combinations of heparin-displacing ('0030, left) or non-displacing ('0032, right) therapeutic anti-Gremlin-1  
1286 antibodies with heparin alone, Gremlin-1 alone or Gremlin-1 and heparin were run on a size exclusion  
1287 chromatography column. The graph shows UV signal (continuous line) and estimated molar mass (points) on the  
1288 y-axis, depending on the eluting volume on the x-axis. The low recovery of 0032/Gremlin-1/heparin complexes  
1289 was accompanied by visual precipitation in the sample vial, indicating the formation of macroscopic insoluble  
1290 complexes.

1291



1292

1293 **Supplementary Figure 4: Validation of GREM1 overexpression in LX-2 and HHSC by flow cytometry and**  
1294 **RTqPCR.**

1295 A. Gating strategy for flow sorting of lentivirally transduced cells. First, cells were selected (left panel)  
1296 before gating on singlets (middle panel). Cells were then gated based on the 99 percent percentile of  
1297 non-transduced cells to identify cells positive for GFP (right panel). Red polygons show gates and the  
1298 red vertical line in the right panel shows the cut-off for GFP positivity.

1299 B. Bar diagram showing percentage of GFP-positive cells in GREM1 or GFP-control lentivirally transduced  
1300 LX-2, n = 1.

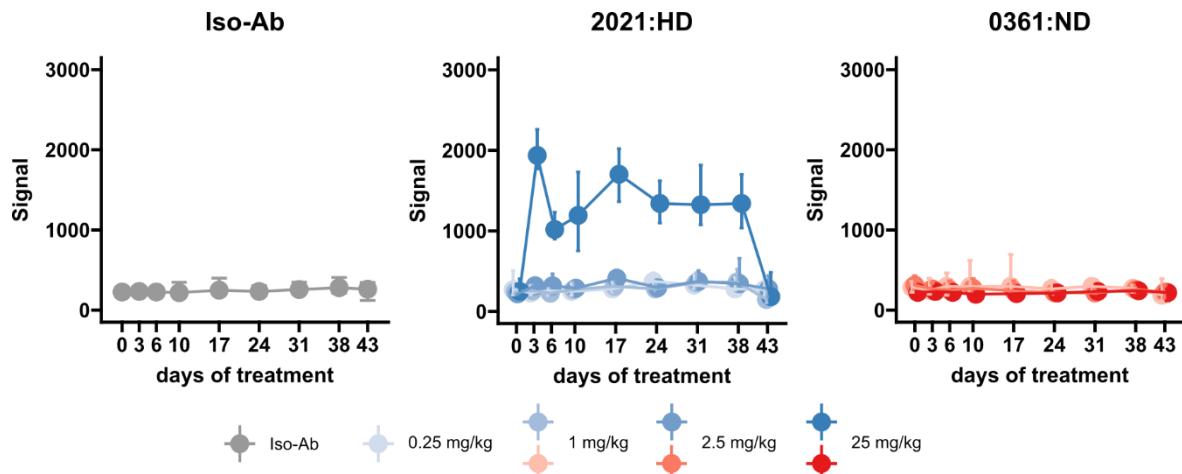
1301 C. SybrGreen RTqPCR results for GFP and GREM1 mRNA in lentivirally transduced LX-2, n = 4.

1302 D. Bar diagram showing percentage of GFP-positive cells in GREM1 or GFP-control lentivirally transduced  
1303 HHSC, n = 3.

1304 E. SybrGreen RTqPCR results for GFP and GREM1 mRNA in lentivirally transduced HHSC, n = 3.

1305 F. Data in B and D are given as individual data points and mean $\pm$ SD; data in C and E are given as  
1306 individual data points and mean. \*p < 0.05, \*\*p < 0.01 and \*\*\*p < 0.001 in paired two-sided t-test.

1307

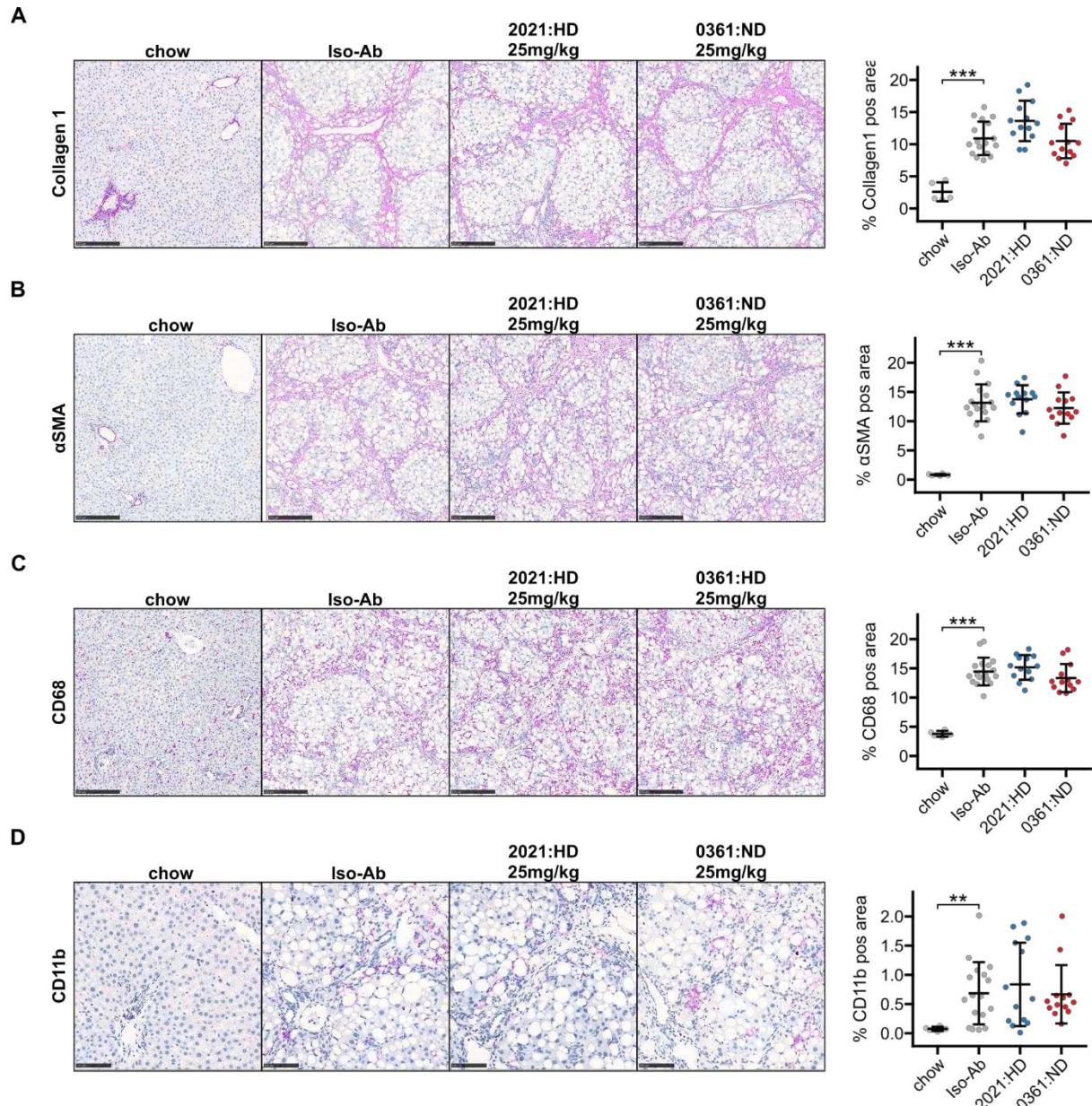


1308

1309 **Supplementary Figure 5: Target engagement studies in the rat CDA-HFD model**

1310 Peripheral blood samples were taken before first antibody injection and at different timepoints during  
1311 treatment, as indicated on the x-axes. Plots show signal intensity for Gremlin-1 protein in plasma by  
1312 alphaLISA. All data are given as median and IQR.

1313



1314

1315

1316 **Supplementary Figure 6: Additional IHC data from rat CDAA-HFD study**

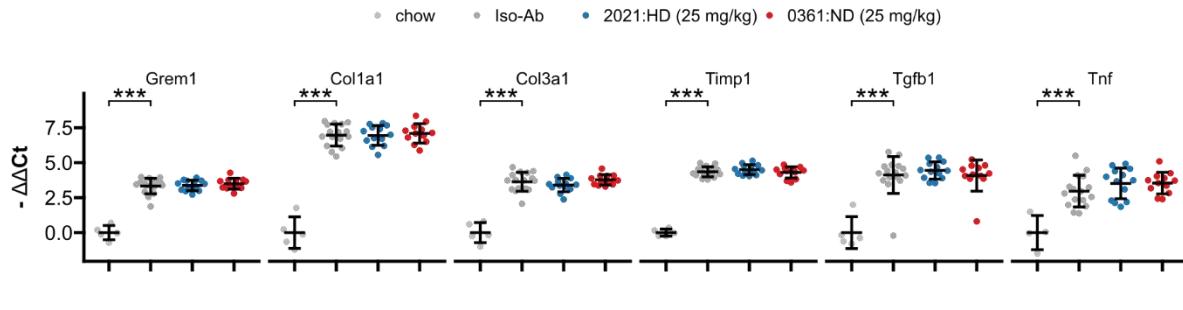
1317 A. Left panel shows representative histological images for Collagen 1 IHC for different treatment conditions.  
 1318 Scale bars represent 250 µm. Right panel shows quantification of Collagen 1 staining in percent of total  
 1319 area.

1320 B. Left panel shows representative histological images for alpha smooth muscle actin (αSMA) IHC for  
 1321 different treatment conditions. Scale bars represent 250 µm. Right panel shows quantification of αSMA  
 1322 staining in percent of total area.

1323 C. Left panel shows representative histological images for CD68 IHC for different treatment conditions.  
 1324 Scale bars represent 250 µm. Right panel shows quantification of CD68 staining in percent of total area.

1325 D. Left panel shows representative histological images for CD11b IHC for different treatment conditions.  
 1326 Scale bars represent 100 µm. Right panel shows quantification of CD11b staining in percent of total  
 1327 area.

1328 Data are given as mean ± SD for n=5 (chow), n=17 (Iso-Ab) and n=13 (2021 & 0361) animals per group.  
 1329 Significance was determined by multiple two-sided paired Welch t-tests against Iso-Ab, followed by Bonferroni-  
 1330 Holm adjustment (\*\*p<0.01, \*\*\*p<0.001).

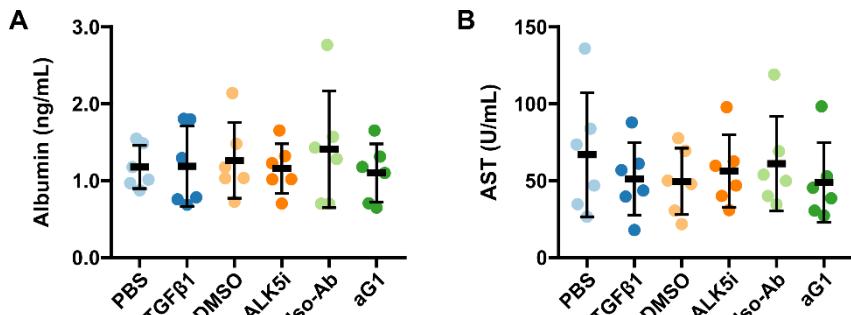


1331

1332 **Supplementary Figure 7: RTqPCR results for anti-Gremlin-1 antibody treatment on CDAA-HFD induced**  
1333 **MASH and fibrosis in rats**

1334 Data are given as single data points and mean  $\pm$  SEM for  $-\Delta\Delta Ct$  relative to chow control and normalised to B2m  
1335 expression. \*\*\* $p<0.001$  in One-Way ANOVA and post-hoc Dunnett test compared to Iso-Ab treated animals.

1336



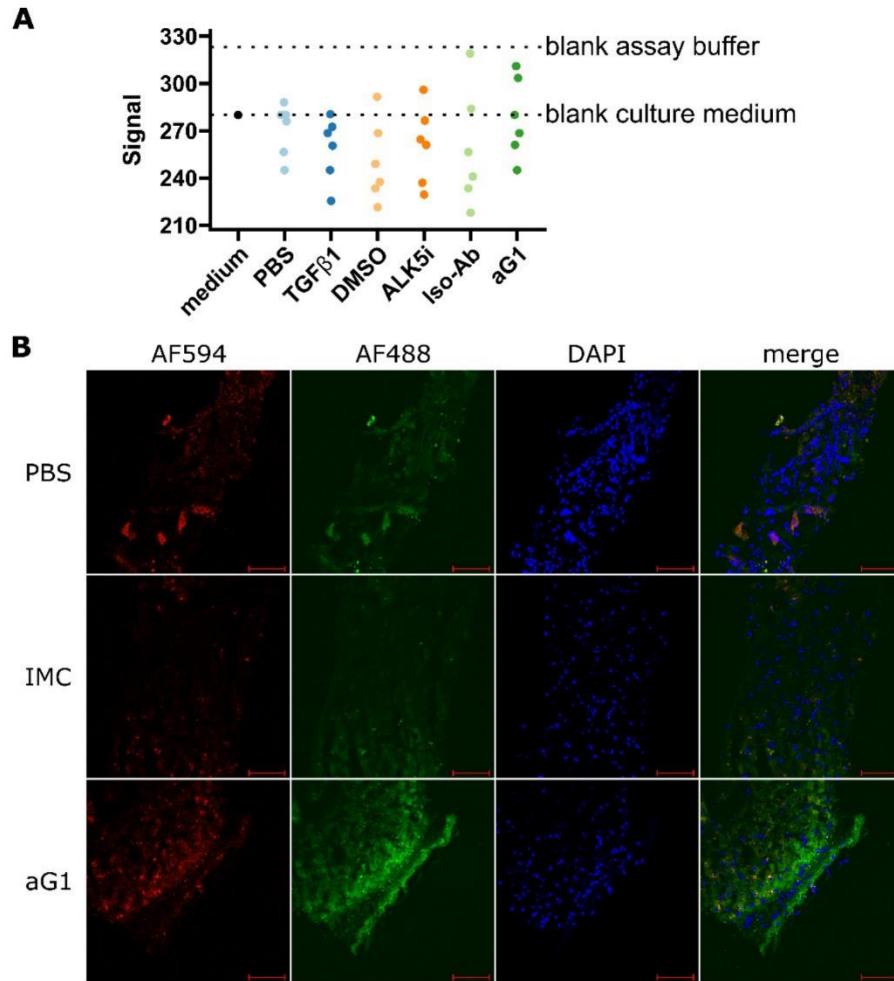
1337

1338 **Supplementary Figure 8: AST and Albumin levels in precision-cut liver slices supernatants**

1339 A. Albumin levels in supernatants of treated PCLS.  
1340 B. AST enzymatic activity in supernatants of treated PCLS.

1341 The anti-Gremlin-1 antibody (aG1) used for experiments was the 0030:HD antibody. Data are given as individual  
1342 data points (coloured points) and mean  $\pm$  SD for  $n = 6$  per treatment condition.

1343



1345 **Supplementary Figure 9: Target engagement studies in PCLS.**

1346 A. Results of alphaLISA for Gremlin-1 protein in supernatants of treated cirrhotic PCLS. Data are  
1347 given as individual data points for fluorescent signal intensity and dotted lines indicate the  
1348 signal intensities obtained using blank culture medium or blank assay buffer.  
1349 B. One set of cirrhotic PCLS was treated with either PBS or AF488-conjugated non-heparin  
1350 displacing isotype control or anti-Gremlin-1 antibody for 24 h. Unfixed frozen sections were  
1351 imaged after autofluorescence quenching and staining with DAPI. Red autofluorescence was  
1352 detected using the AF594 channel. Scale bar represents 100  $\mu$ m.

1353 The anti-Gremlin-1 antibody (aG1) used for experiments in panels A was the 0030:HD antibody,  
1354 the aG1 used for B was the 0032:ND antibody.

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