

1 *C9orf72* repeat expansion-carrying iPSC-microglia from FTD patients show increased  
2 phagocytic activity concomitantly with decreased number of autophagosomal-lysosomal  
3 vesicles

4  
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## 56 **Abstract**

57 *C9orf72* hexanucleotide repeat expansion (HRE) is a major genetic cause of amyotrophic lateral  
58 sclerosis and frontotemporal dementia. The role of microglia in these *C9orf72* HRE-associated  
59 diseases is understudied. To elucidate effects of *C9orf72* HRE on microglia, we have characterized  
60 human induced pluripotent stem cell-derived microglia (iMG) from behavioral variant frontotemporal  
61 dementia (bvFTD) patients carrying the *C9orf72* HRE. *C9orf72* HRE iMG were compared to iMG  
62 from healthy controls and sporadic bvFTD patients. The phenotypes of iMG were analyzed using bulk  
63 RNA sequencing, biochemical and immunofluorescence analyses, and live cell imaging. *C9orf72*  
64 HRE-carrying iMG showed nuclear RNA foci and poly-GP dipeptide repeat proteins but no decreased

65 C9orf72 mRNA or protein expression. TDP-43 pathology was absent from all bvFTD iMG. As  
66 compared to healthy control iMG, quantitative immunofluorescence analyses indicated that all bvFTD  
67 iMG had reduced number, size, and intensity of LAMP2-A-positive vesicles. *C9orf72* HRE-carrying  
68 iMG additionally showed decreased number, size, and intensity of p62/SQSTM1-positive vesicles.  
69 These changes were accompanied by increased phagocytic activity of the *C9orf72* HRE-carrying  
70 iMG. Serum starvation increased phagocytic activity also in the iMG of sporadic bvFTD patients.  
71 RNA sequencing revealed that iMG of *C9orf72* HRE-carrying bvFTD patients as compared to the  
72 iMG of sporadic bvFTD patients showed differential gene expression in pathways related to RNA and  
73 protein regulation and mitochondrial metabolism. Our data suggest potential alterations in the  
74 autophagosomal/lysosomal pathways in bvFTD patient iMG, which are further reinforced by the  
75 *C9orf72* HRE and functionally manifest as increased phagocytic activity.

76 **Keywords**

77 ALS; FTD; *C9orf72* hexanucleotide repeat expansion; microglia; phagocytosis; RNA sequencing

78 **Abbreviations**

79 ab = Antibody; *AIFI* = Allograft inflammatory factor 1; ALS = Amyotrophic lateral sclerosis;  
80 ANOVA = Analysis of variance; ARM = Active response microglia; AUC = Area under the curve;  
81 BSA = Bovine serum albumin; bvFTD = Behavioral variant frontotemporal dementia; *C1QA* =  
82 Complement C1q subcomponent subunit A; *C9orf72* = Chromosome 9 open reading frame 72; *CCL2*  
83 = C-C motif chemokine ligand 2; CD = Cluster of differentiation; *CHIT1* = Chitinase 1; CNS =  
84 Central nervous system; *CORO1C* = Coronin 1C; *COX-2* = Cyclooxygenase-2; CSF = Cerebrospinal  
85 fluid; CX3CR1 = CX3C chemokine receptor 1; CXCL10 = C-X-C motif chemokine ligand 10; DAPI  
86 = 4',6-diamidino-2-phenylindole; DMSO = Dimethyl sulfoxide; DNA = Deoxyribonucleic acid;  
87 DPBS = Dulbecco's phosphate-buffered saline; DPR = Dipeptide repeat; EDTA =  
88 Ethylenediaminetetraacetic acid; FBS = Fetal bovine serum; FISH = Fluorescence *in situ*  
89 hybridization; FTD = Frontotemporal dementia; *GAS6* = Growth arrest-specific 6; *GPR34* = G-  
90 protein coupled receptor 34; HC = Healthy control; *HEXB* = Beta-hexosaminidase subunit beta; HRE  
91 = Hexanucleotide repeat expansion; *HSP90AA1* = Heat shock protein 90 alpha family class A member

92 1; IBA1 = Ionized calcium binding adapter molecule 1; IL = Interleukin; iMG = iPSC-derived  
93 microglia; iPSC = induced pluripotent stem cell; IRM = Interferon response microglia; kDa = kilo  
94 Dalton; LAMP = Lysosome-associated membrane glycoprotein; *MAP1LC3B/LC3B* = Microtubule-  
95 associated proteins 1A/1B light chain 3B; MDMi = monocyte derived microglia; *MERTK* = MER  
96 Proto-Oncogene, Tyrosine Kinase; MSD = Meso Scale Discovery; *NANOG* = Nanog homeobox;  
97 *ORM1* = Orosomucoid 1; P2RY12 = P2Y purinoceptor 12; PCR = Polymerase chain reaction; PDL =  
98 Poly-D-lysine; *POU5F1* = POU domain, class 5, transcription factor 1; *PROS1* = Protein S; *PSEN2* =  
99 Presenilin 2; *PTGS2* = Prostaglandin-endoperoxide synthase 2; *RAC2* = Ras-related C3 botulinum  
100 toxin substrate 2; RCU = Red calibrated unit; RNA = Ribonucleic acid; RT = Room temperature;  
101 *S100A8* = S100 calcium-binding protein A8; SDS = Sodium dodecyl sulphate; *SOD1* = Superoxide  
102 dismutase 1; *SOX2* = SRY (sex determining region Y)-box 2; *SQSTM1* = Sequestosome 1; *SSEA4* =  
103 Stage-specific embryonic antigen 4; *TARDBP* = TAR DNA Binding Protein; TDP-43 = TAR DNA-  
104 binding protein 43; *TMEM119* = Transmembrane protein 119; *TNF* = Tumor necrosis factor;  
105 *TRA181* = Tumor-related Antigen-1-81; *TREM2* = Triggering receptor expressed on myeloid cells 2;  
106 *TUBA1* = Tubulin Alpha 1b; *TYROBP* = TYRO protein tyrosine kinase-binding protein; UMAP =  
107 Uniform Manifold Approximation and Projection; WB = Western blotting

108 **1. Introduction**

109 Microglia, the macrophages of the brain, perform key tasks during brain development, homeostasis,  
110 aging and disease. Their functions range from synaptic pruning and trophic support of neurons to  
111 immune functions, including pathogen defense, tissue repair, and cytokine signaling [1–4]. Since  
112 several risk genes for different neurodegenerative diseases are expressed by microglia [5], studying  
113 microglia-dependent disease mechanisms has gained great interest. During the last decade, protocols  
114 to generate human induced pluripotent stem cell (iPSC)-derived microglia (iMG) have been  
115 developed; see e.g., [6] for review. iMG-based model systems have already been used to study the  
116 impact of microglia on Alzheimer’s disease, Parkinson’s disease, frontotemporal dementia (FTD),  
117 amyotrophic lateral sclerosis (ALS), and Nasu-Hakola disease [7–13]. These models are important for  
118 elucidating the role of microglia in disease processes, since iMG express several genes associated

119 with neurodegenerative diseases, including chromosome 9 open reading frame 72 (*C9orf72*), cluster  
120 of differentiation 33 (*CD33*), presenilin 2 (*PSEN2*), superoxide dismutase 1 (*SOD1*), TAR DNA  
121 binding protein (*TARDBP*), and triggering receptor expressed on myeloid cells 2 (*TREM2*) [14].

122 FTD and ALS are neurodegenerative diseases within the same neuropathological and genetic disease  
123 spectrum but with distinct clinical phenotypes. Whereas FTD predominantly affects the frontal and  
124 temporal regions of the brain and manifests by behavioral or linguistic changes followed by cognitive  
125 decline, patients with ALS suffer from degeneration of motor neurons [15–17]. Both, FTD and ALS  
126 can share an overlapping causative genetic background, including the hexanucleotide repeat  
127 expansion (HRE) in the *C9orf72* gene [18–20], and are often characterized by similar central nervous  
128 system (CNS) pathology, such as that involving accumulation of the TDP-43 protein [21, 22]. In a  
129 significant number of cases, FTD and ALS occur concomitantly and manifest as FTD-ALS phenotype  
130 [16]. Mechanistically, dysfunction in protein degradation pathways, including autophagy, has been  
131 suggested to lead to the accumulation of misfolded and toxic protein aggregates, underlying neuronal  
132 death and glial cell activation in FTD and ALS as well as other neurodegenerative diseases [23, 24].  
133 This dysfunction could be linked to alterations in genes involved in autophagy initiation and vesicular  
134 trafficking, such as *C9orf72* [23–26].

135 Previous reports have indicated that *C9orf72* HRE-specific hallmarks, such as accumulation of RNA  
136 foci and dipeptide repeat (DPR) proteins and reduced *C9orf72* levels, indicating *C9orf72*  
137 haploinsufficiency, are present in neurons and, to some extent, glial cells [27–31]. Importantly, among  
138 CNS-resident cell types, the highest levels of the *C9orf72* gene are expressed in microglia [5, 32].  
139 Microglial alterations have been linked to ALS and FTD [33], including increased microglia  
140 activation in the CNS areas undergoing *C9orf72* HRE-associated degeneration [34–36]. However, the  
141 role of microglia and the molecular mechanisms underlying their potential alterations in *C9orf72*  
142 HRE-associated ALS and FTD are still elusive. Microglia in *post-mortem* brains of *C9orf72* HRE  
143 carriers show an activated phenotype, enlarged lysosomes, and to some extent sense and antisense  
144 RNA foci [29, 32, 34]. Homo- and heterozygous knockout of the mouse *C9orf72* ortholog,  
145 *3110043O21Rik*, causes a severe peripheral autoinflammatory phenotype with inflammation and

146 macrophage activation as well as hyper-reactivity to inflammatory stimuli. However, microglial  
147 activation was not consistently elevated as opposed to activation of macrophages in these mouse  
148 models [32, 37–40].

149 A recent report examining monocultures of iMG from ALS/FTD patients indicated moderate  
150 molecular and functional differences compared to healthy control iMG despite the presence of  
151 *C9orf72* HRE-associated pathologies [41]. On the other hand, iMG derived from *C9orf72* HRE  
152 carriers with ALS after stimulation with lipopolysaccharide [42] or AMPA [23] contributed to  
153 increased death of motoneurons. This was suggested to be related to impaired autophagy [23] and  
154 matrix metalloproteinase-9 secreted by the *C9orf72* HRE iMG [42]. These findings highlight the  
155 importance to study functions linked to or regulated by autophagy in the iMG of *C9orf72* HRE  
156 carriers. So far, to our knowledge, there are no studies on iMG derived from *C9orf72* HRE carriers  
157 with clinically diagnosed pure FTD.

158 In this study, our aim was to characterize the cell pathological and functional phenotypes of microglia  
159 from FTD patients. To this end, we have generated iMG from three healthy controls and three  
160 *C9orf72* HRE carriers and three non-carriers clinically diagnosed with behavioral variant  
161 frontotemporal dementia (bvFTD) for the first time. The iMG underwent detailed biochemical and  
162 cell biological analyses related to the *C9orf72* HRE-specific pathological hallmarks, TDP-43  
163 pathology, RNA profiles, and microglial functionality. We found that iMG of the *C9orf72* HRE  
164 carriers showed the presence of RNA foci and DPR proteins but no signs of *C9orf72*  
165 haploinsufficiency. There was no apparent TDP-43 pathology in the iMG of *C9orf72* HRE-carrying  
166 or non-carrying bvFTD patients. Interestingly, the *C9orf72* HRE-carrying iMG showed changes in  
167 autophagosomal/lysosomal protein levels and significantly increased phagocytic activity. Global  
168 mRNA sequencing revealed differential expression of genes related to RNA, protein, and  
169 mitochondrial metabolism pathways in the iMG of *C9orf72* HRE bvFTD patients as compared to the  
170 iMG of sporadic bvFTD patients. Compared to iMG from healthy controls, iMG of *C9orf72* HRE-  
171 carrying bvFTD patients showed enrichment in genes related to acute inflammatory response. The  
172 present study, by comparing *C9orf72* HRE-associated and sporadic bvFTD iMG, provides completely

173 new insights into differences in the gene expression and cellular function in these patient-derived  
174 immune cells.

175 **2. Methods**

176 **2.1. Study subjects, skin biopsies, and *C9orf72* HRE genotyping**

177 Skin biopsies were obtained at the Neurology outpatient clinic at the Neuro Center, Neurology,  
178 Kuopio University Hospital, Kuopio, Finland from FTD patients diagnosed with bvFTD clinical  
179 phenotype [17] and healthy control individuals. All donors gave a written informed consent.  
180 Fibroblast cultures were established from skin biopsies as previously described from three healthy  
181 individuals, three sporadic bvFTD patients not carrying the *C9orf72* HRE, and three *C9orf72* HRE-  
182 carrying bvFTD patients [43]. Repeat-primed PCR was performed on genomic DNA extracted from  
183 corresponding blood samples and skin biopsy-derived fibroblasts to confirm *C9orf72* HRE carriership  
184 (> 60 repeats) and non-carriers (< 30 repeats) [20]. Heterozygous *C9orf72* HRE carriership (> 145  
185 repeats) was further confirmed in the iPSCs using AmplideX® PCR/CE C9orf72 Kit (49581;  
186 Asuragen). Since other bvFTD causative genetic factors are extremely rare among Finnish patients  
187 [44–46], samples were not tested for additional mutations. Collection of human monocytes and their  
188 differentiation to monocyte-derived microglia-like (MDMi) cells were performed according to Ryan  
189 KJ et al. [47].

190 **2.2. Induced pluripotent stem cell (iPSC) generation and culturing**

191 iPSCs were generated from fibroblasts as described previously [48] using CytoTune-iPS Sendai  
192 reprogramming kit (A16517, Thermo Fisher). In addition, one iPSC line of an FTD patient carrying  
193 the *C9orf72* HRE was purchased from EBiSC (cell line name: UCLi001-A, Biosamples ID:  
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195 human induced pluripotent cell line UCLi001-A, which was generated at UCL Queen Square Institute  
196 of Neurology with support from the NIHR UCLH Biomedical Research Centre, EFPIA companies  
197 and the European Union (IMI-JU). iPSCs were maintained on Corning® Matrigel® Basement  
198 Membrane Matrix Growth Factor Reduced (356230; Corning) coated 3.5 cm dishes (83.3900;  
199 Sarstedt) in E8 medium (Essential 8™ Medium [A1517001; Gibco™], supplemented with 0.5% [v/v]

200 penicillin/streptomycin [15140122; Gibco<sup>TM</sup>], 1×E8 supplement [A1517001; Gibco<sup>TM</sup>]) at +37 °C and  
201 5% CO<sub>2</sub>. Cell culture medium was replaced once per day. Once confluence of 60-80% was reached,  
202 iPSCs were split by incubating for 3-5 min at +37 °C in EDTA (15575020, Invitrogen) and kept in  
203 5 μM Y-27632 2HCl (S1049, Selleck Chemicals) containing E8 medium. For freezing, iPSCs were  
204 collected in E8 medium supplemented with 10% (v/v) heat inactivated FBS (10500; Gibco<sup>TM</sup>) and  
205 10% (v/v) DMSO (D2650; Sigma) and stored long-term in liquid nitrogen. iPSCs were confirmed to  
206 be free of bacterial, fungal, or mycoplasma contaminations. To visualize nuclei, iPSCs were stained  
207 with 5 μM Vybrant<sup>TM</sup> DyeCycle<sup>TM</sup> Green Stain (V35004, Thermo Fisher) for 20 min at +37 °C.  
208 Images using phase contrast and fluorescence at green channel (300 ms acquisition time) were taken  
209 using 10x objective (IncuCyte<sup>®</sup> S3; Essen BioScience). The iPSCs were confirmed by qPCR,  
210 immunofluorescence staining, and RNA sequencing to express pluripotency and stem cell markers  
211 (Supplementary Fig. 1-3). Detailed information on iPSCs is provided in Supplementary Table 1.  
212 Karyotype analysis by an experienced hospital geneticist indicated that two control iPSC lines  
213 (Con\_1; Con\_2) had non-pathological chromosomal alterations (in one, structurally abnormal short  
214 arm of chromosome 12; and in the other, short arm was replaced with long arm of chromosome 20,  
215 thereby forming an isochromosome 20q). The other iPSC lines showed normal karyotypes  
216 (Supplementary Fig. 4).

217 **2.3. Differentiation of iPSCs into microglia and culturing of iMG**

218 iPSCs were differentiated into iMG as previously described [13]. In brief, iPSCs were seeded as  
219 single cells and kept on Matrigel-coated dishes in Essential 8<sup>TM</sup> Medium (A1517001; Gibco<sup>TM</sup>)  
220 supplemented with 25 ng/ml Activin A (120-14E, Peprotech), 5 ng/ml BMP4 (120-05ET,  
221 Peprotech), 1 μM CHIR99021 (1386 B8, Axon), and 0.5% (v/v) penicillin/streptomycin (15140122;  
222 Gibco<sup>TM</sup>), and in 5% O<sub>2</sub> to induce mesodermal differentiation. The medium was supplemented with  
223 10 μM (day 1) or 1 μM (day 2) Y-27632 2HCl (S1049, Selleck Chemicals), during the first 48 hours.  
224 Forty-eight hours after the initiation of differentiation, cells were kept in differentiation medium  
225 (Dulbecco's Modified Eagle Medium:Nutrient Mixture F-12 [21331-020, Gibco<sup>TM</sup>] containing 1x  
226 GlutaMAX [35050-038, Life Technologies], 0.5% [v/v] penicillin/streptomycin [15140-122,

227   Gibco<sup>TM</sup>], 64 mg/l ascorbic acid [A8960, Sigma-Aldrich], 14 µg/l sodium selenite [S5261, Sigma-  
228   Aldrich], 543 mg/l sodium bicarbonate [25080-094, Thermo Fisher]) and supplemented with  
229   100 ng/ml FGF2 (AF-100-18B, Peprotech), 10 µM SB431542 (S1067, Selleckchem), 5 µg/ml insulin  
230   (I9278, Sigma-Aldrich), and 50 ng/ml VEGF (100-20A, Peprotech) and in 5% O<sub>2</sub> to induce  
231   hemogenic differentiation. On days 4-7, cells were cultivated in differentiation medium supplemented  
232   with 50 ng/ml FGF2 (AF-100-18B, Peprotech), 5 µg/ml insulin (I9278, Sigma-Aldrich), 50 ng/ml  
233   VEGF (100-20A, Peprotech), 50 ng/ml TPO (300-18, Peprotech), 10 ng/ml SCF (300-07, Peprotech),  
234   50 ng/ml IL-6 (200-06, Peprotech), 10 ng/ml IL-3 (200-03, Peprotech), and under 18% O<sub>2</sub>. On day 8,  
235   erythromyeloid progenitors were transferred to ultra-low attachment dishes (4615, Corning®).  
236   Medium (IMDM [21980032; Gibco<sup>TM</sup>] supplemented with 10% [v/v] heat-inactivated FBS [10500;  
237   Gibco<sup>TM</sup>], 0.5% [v/v] penicillin/streptomycin [15140122; Gibco<sup>TM</sup>], 5 µg/ml insulin [I9278, Sigma-  
238   Aldrich], 5 ng/ml MCSF [300-25, Peprotech], 100 ng/ml IL-34 [200-34, Peprotech]) was changed  
239   every other day and cell numbers were kept under 3.5 million cells per dish. On day 16, iMG were  
240   seeded in microglia medium (IMDM [21980032; Gibco<sup>TM</sup>] supplemented with 10% [v/v] heat-  
241   inactivated FBS [10500; Gibco<sup>TM</sup>], 0.5% [v/v] penicillin/streptomycin [15140122; Gibco<sup>TM</sup>], 10  
242   ng/ml MCSF [300-25, Peprotech], 10 ng/ml IL-34 [200-34, Peprotech]) on PDL (P6407; Sigma)  
243   coated vessels for phagocytosis experiments (96 well plates [167008; Thermo Fisher]), fluorescence  
244   *in situ* hybridization (FISH; 13 mm cover glasses [631-1578; VWR] in 24 well plates [150628;  
245   Thermo Fisher]), immunofluorescence studies (µ-Slide 8 Well [80826; Ibidi], 13 mm cover glasses in  
246   24 well plates, or 9 mm cover glasses [631-0169; VWR] in 48 well plates [150687; Thermo Fisher]),  
247   or RNA and protein extraction (18 mm cover glasses [631-0153; VWR] in 12 well plates [142475;  
248   Thermo Fisher]). For protein extraction and FISH, erythromyeloid progenitors were frozen on day 8,  
249   10, or 12 and stored in liquid nitrogen in freezing medium (10% [v/v] DMSO in microglia medium).  
250   After thawing, the differentiation protocol was continued starting from the same day of the protocol  
251   on which the cells were frozen (Supplementary Fig. 5).

252 **2.4. Protein extraction and Western blotting**

253 iMG were seeded on day 16 (100,000 cells/well) and harvested on day 22. For experiments with  
254 Baflomycin A1 treatment, iMG were treated on day 22 with 150 nM Baflomycin A1 (B1793-10UG,  
255 Sigma Aldrich) for 6 h at +37 °C before harvesting. Cells were washed twice with ice-cold DPBS (17-  
256 512F; Lonza), scraped in lysis buffer (10 mM Tris-HCl, 2 mM EDTA, 1% [m/v] sodium dodecyl  
257 sulphate [SDS]; 1:100 protease and 1:100 phosphatase inhibitors [1862209 and 1862495; Thermo  
258 Scientific]). Samples were stored at -20 °C. Thawed samples were sonicated (2 cycles [10 s], 30 s  
259 between cycles, high setting; Bioruptor Next Gen, Diagenode) and heated (+90 °C for 7 min). Protein  
260 concentrations were measured using bicinchoninic acid assay (23225; Thermo Scientific) and plate  
261 reader (Infinite M200; Tecan Group Ltd.). Samples (approx. 15 µg/lane) and molecular weight marker  
262 (26616; Thermo Scientific) were supplied with 20% (v/v) 2-mercaptoethanol and 1×NuPAGE LDS  
263 sample buffer (NP0007; Invitrogen), heated for 7 min at +90 °C, and loaded on 4-12% Bis-Tris gels  
264 (NP0335; Invitrogen) for sodium dodecyl sulfate-polyacrylamide gel electrophoresis (80 V for 15  
265 min, 110 V for 1 h 15 min). Proteins were transferred on 0.2 µm polyvinylidene fluoride membranes  
266 (1704157; Bio-Rad) using Trans-Blot Turbo Transfer System (Bio-Rad; 25 V, 1.0 A, 30 min). Blots  
267 were blocked either in 5% (w/v) milk powder or 5% (w/v) BSA (A9647; Sigma-Aldrich) diluted in  
268 1×TBST (139.97 mM NaCl, 24.94 mM Tris, 0.5% (v/v) Tween 20; pH 7.4) for 1 h at room  
269 temperature (RT) according to the recommendations of primary antibody manufacturers. Blots were  
270 incubated overnight at +4 °C with the following primary antibodies diluted in 1×TBST: anti-C9orf72  
271 (1:500, GTX634482; GeneTex), anti-LAMP2-A (1:1,000, ab18528; Abcam), anti-LC3B (1:3,000,  
272 ab51520; Abcam), anti-phospho-TDP-43 (1:3,000, TIP-PTD-P02; CosmoBio), anti-SQSTM1  
273 (1:1,000, 5114S; CST), anti-TDP-43 (1:2,000, 10782-2-AP; Proteintech). Next, blots were incubated  
274 with species-specific horseradish peroxidase-linked secondary antibodies (1:5,000, NA935, NA934V  
275 or NA931V; GE Healthcare) for 1 h at RT, and for 5 min with suitable enhanced chemiluminescence  
276 substrate solutions (RPN2236 or RPN2235; GE Healthcare; UltraScence Pico Ultra [CCH345;  
277 BioHelix]). ChemiDoc MP Imaging System (Bio-Rad) was used to detect the chemiluminescence  
278 signals. For each sample, intensity values per area of bands of interest were quantified using Image  
279 Lab™ (6.0.0; Bio-Rad). Values were normalized to total protein signals above approx. 18 kDa in size

280 from blots stained with No-Stain™ Protein Labeling Reagent (A44449, Invitrogen). Data are shown  
281 as % of Con\_2 line (mean value of each experiment set to 100%).

282 **2.5. Fixation, FISH, immunofluorescence staining, and confocal microscopy**

283 Cells were fixed on day 22 in 4% (v/v) formaldehyde (28908; Thermo Scientific) in DPBS for 20 min  
284 at +37 °, washed two times with DPBS, and stored at +4 °. FISH was performed similarly as  
285 described previously [49] using a hybridization temperature of +55 ° and fluorescently labeled  
286 locked nucleic acid TYE™ 563-(CCCCGG)<sub>3</sub> probe to detect the sense foci. TYE™ 563-(CAG)<sub>6</sub> probe  
287 was used as a negative control probe to verify the specificity of the TYE™ 563-(CCCCGG)<sub>3</sub> probe  
288 against the *C9orf72* HRE sequence (Exiqon). H<sub>2</sub>O added to samples for FISH was pre-treated with  
289 diethyl pyrocarbonate (D5758; Sigma).

290 For immunofluorescence staining, fixed cells were permeabilized using 0.1% (v/v) Triton X-100 in  
291 DPBS for 10 min at RT on a rocker and washed three times with DPBS. For blocking, cells were  
292 incubated in blocking solution (1.5% or 5% [for *C9orf72*] [v/v] goat immunoglobulin G isotype  
293 control [02-6202; Invitrogen] or 1% [for p62/SQSTM1] or 5% [for TREM2] [w/v] BSA in DPBS) for  
294 30 min at RT on a rocker. Anti-*C9orf72* was diluted in 1% (w/v) BSA in DPBS. All other primary and  
295 secondary antibodies were diluted in blocking solution and incubated with the cells either at RT for  
296 1.5 h or overnight at +4 ° followed by washing three times with DPBS. The following primary  
297 antibodies were used: anti-*C9orf72* (1:500, GTX634482; GeneTex), anti-CX3CR1 (1:500, 1H14L7;  
298 Thermo Fisher), anti-IBA1 (1:250, MA5-27726; Thermo Fisher), anti-LAMP2-A (1:200, ab18528;  
299 Abcam), anti-NANOG (1:100, AF1997; R&D Systems), anti-P2RY12 (1:250, HPA014518; Sigma-  
300 Aldrich), anti-POU5F1 (1:400, MAB4401; EMD Millipore), anti-SSEA4 (1:400, MAB4304; EMD  
301 Millipore), anti-SQSTM1 (1:200, sc-28359; Santa Cruz Biotechnology), anti-TDP-43 (1:500, 10782-  
302 2-AP; Proteintech), anti-TMEM119 (1:250, HPA051870; Thermo Fisher), anti-TRA-1-81 (1:200,  
303 MAB4381; EMD Millipore), anti-TREM2 (1:50, PA5-46980; Thermo Fisher). The following  
304 fluorescently labeled species-specific secondary antibodies were used at 1:300 or 1:500 dilution:  
305 Alexa Fluor® 488 (A-11001, A-11006, A-11034, A-11055, and A-11059; Invitrogen), Alexa Fluor®  
306 568 (A-11004, A-11057; Invitrogen), Alexa Fluor® 647 (A-21244; Invitrogen). To stain the cell

307 nuclei, cells were mounted in 4',6-diamidino-2-phenylindole (DAPI)-containing mounting medium  
308 (H-1800; Vector Laboratories) or incubated in 0.2  $\mu$ g/ml DAPI solution (D952, Sigma) in DPBS for 5  
309 min at RT on rocker. For C9orf72, LAMP2-A, p62/SQSTM1 and TDP-43 staining, cells were  
310 mounted in phalloidin-containing mounting medium (H-1600; Vector Laboratories). Next, 8-bit  
311 images with a resolution of 15.2841 pixels per micron were acquired using laser scanning confocal  
312 microscopy (Plan-Apochromat 63x/1.40 Oil DIC M27 objective, Axio Observer.Z1/7, LSM800;  
313 Zeiss), or 16-bit images with a resolution of 6.2016 pixels per micron using EC Plan-Neofluar  
314 40x/1.30 Oil DIC M27 objective and Axio Observer.Z1 microscope (Zeiss). Same microscopy  
315 settings were used for all samples (including negative control samples where no primary antibody was  
316 used) and replication experiments.

317 **2.6. Image analysis**

318 Microglia were stained for TDP-43, C9orf72, p62/SQSTM1, or LAMP2-A and stained with  
319 phalloidin and DAPI as described above. Confocal microscopy images were processed using Fiji  
320 (2.3.0/1.53f51; [50]). Phalloidin images were used to create masks, which outlined the cell bodies and  
321 allowed measurement of the total cell body area per image. For this, auto local thresholding (version  
322 1.10, Sauvola method, radius = 15, default  $k$  and  $r$  values) was applied, followed by Gaussian Blur  
323 filter (sigma = 2 [sigma = 4 for C9orf72 images]) and removal of particles with a radius smaller than  
324 5  $\mu$ m. To fill holes within cell bodies, particles of a size between 0-4  $\mu$ m were included. After  
325 watershed segmentation, regions of interest were outlined without further area or shape exclusion.  
326 DAPI images were used to indicate nuclei and measure nuclear areas per image (for TDP-43  
327 analysis). To segment nuclei, background subtraction (rolling ball radius = 100 pixels), Gaussian Blur  
328 filter (sigma = 2), auto thresholding (Renyi's entropy method), and removal of particles with a radius  
329 smaller than 5  $\mu$ m were applied followed by fill holes command.

330 **2.6.1. C9orf72 intensity analysis**

331 C9orf72 signal was quantified as sum intensities of the fluorescence signal originating from the  
332 fluorescently labeled secondary antibody within phalloidin-positive areas per image. Sum intensities  
333 were normalized to phalloidin-positive area per image. Values from samples without primary

334 antibody incubation (negative control) were subtracted from values from samples with primary  
335 antibody incubation.

336 **2.6.2. TDP-43 translocation analysis**

337 TDP-43 signals were quantified as sum intensities of the fluorescence signal originating from the  
338 secondary antibodies in nuclear (DAPI-positive) and cytosolic areas (nuclear signal subtracted from  
339 signal within whole cell body [phalloidin-positive areas]) for each image. Sum intensities were  
340 normalized to nuclear and cytosolic area sizes, respectively for each image. To determine unspecific  
341 signal intensities for each cell line, intensity values for nucleus and cytosol were obtained from  
342 samples stained without primary antibody (negative control). Maximum unspecific signal intensities  
343 for each cell line per experiment were calculated. Cytosolic to nuclear TDP-43 signal ratio was  
344 calculated by subtracting the maximum unspecific area-normalized sum intensities for each line from  
345 nuclear and cytosol signals, respectively. To determine the extent of TDP-43 translocation into the  
346 cytosol, a recently developed TDP-43 translocation analysis was used [51]. In brief, in this analysis  
347 the signal of nuclear and cytosolic TDP-43 is categorized into four stages (none, mild, moderate,  
348 severe TDP-43 translocation from nucleus to cytosol; Supplementary Fig. 6 a). The same concept was  
349 used here to categorize TDP-43 signals. For this, the number of translocation-positive cells was  
350 manually counted on the basis of nuclear and cytosolic TDP-43 intensity values. For the manual  
351 analysis, TDP-43 stages “none” and “mild” were grouped as “non-pathological” and “moderate” and  
352 “severe” as “pathological”. This was applied because the cytosolic to nuclear TDP-43 intensity  
353 signals of manually selected cells did not differ between “none” and “mild” nor “moderate” and  
354 “severe” groups (Supplementary Fig. 6 b) but differed between the groups “non-pathological” and  
355 “pathological” (Supplementary Fig. 6 c).

356 **2.6.3. p62/SQSTM1 and LAMP2-A particle analysis**

357 Signals were quantified as sum intensities of the fluorescence signal originating from the secondary  
358 antibody normalized to p62/SQSTM1- or LAMP2-A-positive particle areas. Mean size of  
359 p62/SQSTM1- or LAMP2-A positive particles and mean number of particles per total cell body area  
360 within phalloidin-positive areas per image were calculated. Background subtraction (rolling ball

361 radius =10 pixels) and thresholding (Maximum Entropy algorithm [p62/SQSTM1]; Renyi's entropy  
362 method [LAMP2-A]) were applied so that a minimal number of particles were detected in samples  
363 stained without primary antibody (negative control). Only particles with a minimum area of 0.5  $\mu\text{m}^2$   
364 were included in the analysis (p62/SQSTM1).

365 **2.7. Phagocytosis assay**

366 On day 16, iMG were plated on 96-well plates (approx. 30,000 cells/well). For serum starvation, 24 h  
367 prior to assay, iMG were kept in serum-free microglia medium. On day 23 or 24, cells were incubated  
368 in serum-free microglia medium supplemented with zymosan-coupled pH-sensitive fluorescent  
369 particles (P35364, Invitrogen) at final concentrations of 62.5  $\mu\text{g}/\text{ml}$ . Cells without particles  
370 were used for background subtraction in the red channel. Microscopy images were acquired with  
371 20x objective from brightfield, and red fluorescent channels (300 ms acquisition time) every 30 min  
372 using IncuCyte® S3 (Essen BioScience). Per experiment, four images per well per biological replicate  
373 (3-4) per line were acquired. For analysis, the IncuCyte® software (version 2019B) was used. For  
374 bright field channel, segment adjustment of 0.5 was used. For the red channel, Top-Hat segmentation  
375 (radius 10  $\mu\text{m}$ , 2 RCU threshold) and edge sensitivity of -60 were used. To estimate the phagocytic  
376 activity, the size of the red fluorescent area within cells or intensity values of red channel (Total Red  
377 Integrated Intensity [RCU  $\times \mu\text{m}^2/\text{image}$ ]) were calculated and normalized to total cell area (before  
378 beads were added) for each image. Values were calculated for each biological replicate and pooled  
379 from two independent differentiations.

380 **2.8. DPR immunoassay**

381 iMG were seeded on day 16 (400,000-500,000 cells/well) and snap frozen on dry ice after removing  
382 medium on day 23. Sample preparation and the DPR immunoassay were carried out on the Meso  
383 Scale Discovery (MSD) platform as described by previously [52]. Total protein levels in all samples  
384 were used to normalize the MSD assay signals. In total, one control iMG line (Con\_3) and two  
385 sporadic iMG lines (Ftd\_1, Ftd\_4) as *C9orf72* HRE non-carrying controls, and all three *C9orf72* HRE  
386 carrier iMG lines (Ftd\_5, Ftd\_6, Ftd\_7), were included in the immunoassay.

387 **2.9. RNA extraction**

388 iPSCs were detached with EDTA, centrifuged for 10 min at 8,000 x g, resuspended, and processed in  
389 NucleoProtect RNA (740400.250, MACHEREY-NAGEL) as described by the manufacturer, and  
390 stored at -80 °C until RNA extraction. On day 16, iMG were plated (225,000 cells/well). On day 23,  
391 iMG were washed twice with ice-cold DPBS and scraped in 200 µl ice-cold DPBS. RNA extraction  
392 was conducted directly. Total RNA was isolated (11828665001, Roche Molecular Systems, Inc.), and  
393 RNA concentrations were measured using NanoDrop™ One (Thermo Scientific).

394 **2.10. RNA sequencing and data processing**

395 Bulk RNA sequencing (RNA-seq) was performed using RNA extracted as described above from  
396 iPSCs and iMG. Library preparation and RNA sequencing was conducted by Novogene (UK)  
397 Company Limited as described previously [53]. Sequencing yielded 19.9–32.4 million sequenced  
398 fragments per sample.

399 The 150 nt pair-end RNA-seq reads were quality controlled using FastQC (version 0.11.7)  
400 (<https://www.bioinformatics.babraham.ac.uk/projects/fastqc/>). Reads were then trimmed with  
401 Trimmomatic (version 0.39) [54] to remove Illumina sequencing adapters and poor quality read ends,  
402 using as essential settings: ILLUMINACLIP:2:30:10:2:true, SLIDINGWINDOW:4:10, LEADING:3,  
403 TRAILING:3, MINLEN:50. Reads aligning to mitochondrial DNA or ribosomal RNA, phiX174  
404 genome, or composed of a single nucleotide, were removed using STAR (version 2.7.9a) [55]. The  
405 remaining reads were aligned to the Gencode human transcriptome version 38 (for genome version  
406 hg38) using STAR (version 2.7.9a) [55] with essential non-default settings: --seedSearchStartLmax  
407 12, --alignSJoverhangMin 15, --outFilterMultimapNmax 100, --outFilterMismatchNmax 33, --  
408 outFilterMatchNminOverLread 0, --outFilterScoreMinOverLread 0.3, and --outFilterType BySJout.  
409 The unstranded, uniquely mapping, gene-wise counts for primary alignments produced by STAR  
410 were collected in R (version 4.1.0) using Rsubread::featureCounts (version 2.8.1) [56], ranging from  
411 14.7 to 24.3 million per sample. After normalization, using varianceStabilizingTransformation (from  
412 DESeq2 version 1.32.0), the data were subjected to sample-level quality control and a minor batch  
413 effect was identified between sequencing batches (Supplementary Fig. 7). Batch-corrected DEGs

414 between experimental groups were identified in R (version 4.1.2) using DESeq2 (version 1.32.0) [57]  
415 by employing Wald statistic and IfcShrink for FC shrinkage (type="apeglm") [58]. Pathway  
416 enrichment analysis was performed on the gene lists ranked by the pairwise DEG test log2FCs using  
417 command line GSEA (GSEA version 4.1.0) [59] with Molecular Signatures Database gene sets  
418 (MSigDB, version 7.5.1) [29].

419 **2.11. Data processing, visualization, and statistical analyses**

420 To test whether data points within experimental groups were normally distributed, Shapiro-Wilk test  
421 was used. Bartlett's test was used to test for equality of variances among groups. To test for  
422 significance between two different experimental groups, two-tailed independent samples t-test (for  
423 normally distributed data and equal variances) or Mann-Whitney U test was performed. To test for  
424 significance between more than two groups, one-way analysis of variance (ANOVA) followed by  
425 Tukey's multiple comparisons test (variance stabilized counts) or Sidak's multiple comparisons test  
426 (phagocytosis assay) was used if data points were normally distributed and variances equal between  
427 groups. Otherwise Kruskal-Wallis test followed by Dunn's multiple comparisons test was used. Two-  
428 way ANOVA followed by Sidak's multiple comparisons test was used for testing statistical  
429 significance related to treatment effect among the experimental groups (Bafilomycin A1 treatment).  
430 To assess statistical independence between categorical variables, Chi-Square test was used. All tests  
431 were performed using GraphPad Prism software (version 8.4.3 for Windows, GraphPad Software, San  
432 Diego, California USA, [www.graphpad.com](http://www.graphpad.com)). Test statistics ( $F$  value for ANOVA;  $H$  value for  
433 Kruskal-Wallis test; and corresponding  $p$ -values) are reported in the figure legends. P-values for  
434 pairwise comparisons are indicated above the compared groups within the figures. P-values  $< 0.05$   
435 were considered significant. Graphs were created using the GraphPad Prism software (version 8.4.3  
436 for Windows). Number of independent differentiations of iMG from iPSCs are indicated in each  
437 figure legend. Total number of statistical units per group is indicated as "n". Statistical units are  
438 depicted as individual data points. Microscopy images shown in the manuscript were processed using  
439 ImageJ (1.53f51).

440 **2.12. Ethics statement**

441 The patient data used in this project were pseudonymized and handled using code numbers only as  
442 indicated in Supplementary Table 1. Donors of skin biopsies gave their written informed consent prior  
443 to sample collection. The study was performed in accordance with the principles of the declaration of  
444 Helsinki. Obtaining skin biopsies, establishment of the biopsy-derived fibroblast cultures, and  
445 generation of iPSCs were performed with the permission 123/2016 from the Research Ethics  
446 Committee of the Northern Savo Hospital District, Kuopio, Finland. The authors declare no  
447 competing interests.

448 **3. Results**

449 **3.1. iPSC-derived microglia of bvFTD patients and healthy controls acquire microglial identity**

450 In this study, we used a previously published protocol [13] to generate microglia (iMG) from iPSCs of  
451 three healthy donors, three bvFTD patients carrying the *C9orf72* HRE, and three bvFTD patients not  
452 carrying the *C9orf72* HRE (sporadic). The study subject characteristics are listed in Supplementary  
453 Table 1. The iPSCs showed typical colony formation and expression of pluripotent stem cell marker  
454 genes (Supplementary Fig. 1-3), whereas these markers were not expressed in the differentiated iMG  
455 anymore (Supplementary Fig. 3). After 23 days of differentiation, iMG expressed markers, which  
456 have been suggested to be unique to human primary microglia [60] as opposed to CNS-associated  
457 macrophages [61], and used in other studies to confirm myeloid lineage/microglial identity [10, 13,  
458 14, 62, 63] on RNA level (Fig. 1 a). Expression of a subset of microglial genes on protein level, i.e.,  
459 CX3CR1, IBA1, P2RY12, TMEM119, and TREM2, was confirmed using immunofluorescence  
460 staining after 22 days in culture (Fig. 1 b, Supplementary Fig. 8). According to visual inspection by  
461 microscopy, 100% of iMG cells expressed these markers. Furthermore, global mRNA sequencing  
462 analysis indicated that the iMG clustered close to MDMi cells but separately from iPSCs or  
463 monocytes, from which the iMG or MDMi were differentiated, respectively (Fig. 1 c). Altogether,  
464 these characterizations confirmed that the generated iMG harbored microglial identity based on their  
465 high and specific expression of well-established microglial markers.

466 **3.2. iMG of *C9orf72* HRE carriers do not show reduced *C9orf72* levels**

467 *C9orf72* HRE has been shown to result in *C9orf72* haploinsufficiency in the patients, indicated by the  
468 reduction of *C9orf72* mRNA expression by approximately 50% in the frontal cortex and lymphoblast  
469 cells of HRE carriers [18]. Also, concurrently reduced *C9orf72* RNA and protein levels in the CNS of  
470 *C9orf72* HRE carriers have been reported in some studies [64, 65]. Microglia express the highest  
471 levels of *C9orf72* compared to other brain cells [32], and *C9orf72* has been suggested to be involved  
472 in key cellular functions that are executed by microglia, such as phagocytosis [66]. Hence, we  
473 investigated whether the iMG of *C9orf72* HRE carriers showed reduced total *C9orf72* mRNA or  
474 protein levels. RNA sequencing showed that the iMG of the *C9orf72* HRE carriers did not harbor  
475 reduced *C9orf72* RNA levels as compared to the iMG of the non-carrier healthy controls or sporadic  
476 bvFTD patients (Fig. 2 a). In line with these RNA-level findings, Western blot analysis did not  
477 indicate significant differences in the *C9orf72* long protein isoform levels (54 kDa) between the  
478 *C9orf72* HRE-carrying *vs.* non-carrying iMG (Fig. 2 b, c). Moreover, immunofluorescence staining of  
479 *C9orf72* did not show significant differences in the levels of *C9orf72* in the iMG of *C9orf72* HRE  
480 carriers as compared to the non-carriers either (Fig. 2 d, e). Altogether, these results suggest that  
481 *C9orf72* haploinsufficiency is not detected at the RNA or protein level in the iMG of *C9orf72* HRE  
482 carriers.

483 **3.3. iMG of *C9orf72* HRE carriers show presence of RNA foci and poly-GP DPR proteins**

484 Sense and anti-sense RNA foci and DPR proteins have been suggested to represent *C9orf72* HRE-  
485 specific gain-of-toxic-function pathological hallmarks [67]. In *post-mortem* CNS of the *C9orf72* HRE  
486 carriers, sense and anti-sense RNA foci have been reported in neurons, but also microglia [29, 68].  
487 Notably however, microglia showed RNA foci at a significantly lower frequency than neurons [29].  
488 FISH analysis using a probe against the sense RNA foci demonstrated that RNA foci were present in  
489 the nuclei of a subset of the iMG of the *C9orf72* HRE carriers (Fig. 3 a; Supplementary Fig. 9). The  
490 antisense foci were not separately assessed.

491 A sensitive MSD immunoassay against the poly-GP DPR proteins was used to assess whether these  
492 were expressed in iMG of *C9orf72* HRE carriers. Poly-GP proteins were specifically detected in the

493 iMG of *C9orf72* HRE carriers but not in the iMG from sporadic bvFTD patient-derived nor control  
494 iMG (Fig. 3 b). These findings together indicate that the *C9orf72* HRE-associated gain-of-toxic-  
495 function pathological hallmarks, the RNA foci and poly-GP DPR proteins, are present in the iMG of  
496 *C9orf72* HRE-carrying bvFTD patients.

497 **3.4. iMG of bvFTD patients carrying or not the *C9orf72* HRE do not display TDP-43 pathology**  
498 Hyperphosphorylation, C-terminal fragmentation, and cytosolic aggregation of TDP-43 have been  
499 generally observed in neurons and glial cells in brain samples of ALS and FTD patients with different  
500 genetic backgrounds, including the *C9orf72* HRE carriers [21, 22, 36, 69]. Hence, we investigated  
501 whether the iMG of *C9orf72* HRE-carrying and non-carrying bvFTD patients exhibited signs of TDP-  
502 43 pathology or expressional changes in TDP-43 levels. According to RNA sequencing, *TARDBP*  
503 gene expression was similar between all the three iMG groups (Fig. 4 a). Also, total levels of the full-  
504 length TDP-43 proteins were unchanged in all iMG (Fig. 4 b, c). The iMG from either *C9orf72* HRE-  
505 carrying or non-carrying bvFTD patients did not show increased phosphorylation of TDP-43 at serine  
506 409/410-1 when compared to control iMG (Fig. 4 b, d). Cleavage of TDP-43 into smaller C-terminal  
507 fragments (< 43 kDa) was not observed either in the iMG of *C9orf72* HRE-carrying or non-carrying  
508 bvFTD patients (Supplementary Fig. 10). Next, we used our previously published method to  
509 quantitatively investigate the translocation of TDP-43 from nucleus to cytosol [51]. iMG from either  
510 *C9orf72* HRE-carrying or non-carrying bvFTD patients did not show increased cytosolic-to-nuclear  
511 TDP-43 ratio when compared to control iMG (Fig. 4 e, f). Finally, in order to assess at the single cell  
512 level whether subpopulations of bvFTD patient iMG showed cytosolic TDP-43 accumulation, the  
513 number of iMG with non-pathological vs. pathological TDP-43 translocation status (Supplementary  
514 Fig. 6 a, b, c) was counted manually. This analysis did not indicate pathological translocation of TDP-  
515 43 to the cytosol either. These results collectively indicate that TDP-43 pathology in the form of  
516 hyperphosphorylation, C-terminal fragmentation, or cytosolic accumulation is not present in the iMG  
517 of bvFTD patients carrying or not the *C9orf72* HRE when compared to the iMG of healthy controls.

518 **3.5. iMG of *C9orf72* HRE carriers show changes in proteins involved in autophagosomal-**

519 **lysosomal pathways**

520 We have previously observed changes in autophagosomal-lysosomal pathways in *C9orf72* HRE-  
521 expressing mouse microglial cells [51] and in neuronal cells under *C9orf72* knockdown conditions,  
522 mimicking haploinsufficiency [25]. Here, we found that iMG of all three groups showed similar  
523 *SQSTM1*, *MAP1LC3B*, and *LAMP2* RNA levels in the RNA sequencing analysis (Fig. 5 a). Protein  
524 levels of p62/SQSTM1 and LAMP2-A were also similar in all iMG as indicated by Western blot  
525 analysis (Fig. 5 b-d). In addition, no differences in LC3BI to LC3BII conversion, which would  
526 indicate alterations in the autophagosomal activity, could be detected between *C9orf72* HRE-carrying  
527 or non-carrying bvFTD iMG and control iMG under basal conditions or after Bafilomycin A1  
528 treatment, which induced a similar increase in the LC3BII/LC3BI ratio in all the iMG (Fig. 5 e, f).  
529 Quantitative analysis of the immunofluorescence images demonstrated that the number and area of  
530 LAMP2-A-positive vesicles as well as LAMP2-A levels within the vesicles were similar between the  
531 iMG of sporadic bvFTD and *C9orf72* HRE bvFTD patients. However, these were significantly lower  
532 when compared to the iMG of healthy controls (Fig. 6 a-d), suggesting that formation or turnover of  
533 the lysosomal vesicles may be altered in the bvFTD iMG from both *C9orf72* HRE carriers and non-  
534 carriers.

535 TDP-43-negative and p62/SQSTM1-positive cytoplasmic inclusions in the brain have been suggested  
536 to represent another hallmark in *C9orf72* HRE carriers [36, 70]. Whereas no p62/SQSTM1-positive  
537 inclusions were detected, we observed that iMG from bvFTD patients carrying the *C9orf72* HRE  
538 showed fewer p62/SQSTM1-positive vesicles, which were also smaller in size and contained lower  
539 p62/SQSTM1 levels, as compared to the iMG from sporadic bvFTD patients but not compared to  
540 those from healthy controls (Fig. 6 e-h). These data altogether indicate that iMG of bvFTD patients  
541 show a decrease in LAMP2-A-positive lysosomal vesicles, which is further accompanied by reduced  
542 p62/SQSTM1-positive vesicles in *C9orf72* HRE-carrying iMG, suggesting potential changes in the  
543 autophagosomal-lysosomal pathways.

544 **3.6. iMG of *C9orf72* HRE carriers demonstrate alterations in phagocytosis**

545 Several studies have pointed to a potential involvement of *C9orf72* in phagocytosis, one of the crucial  
546 functions of microglia [39, 66]. Murine *C9orf72* localizes in phagolysosomes and late phagosomes in  
547 RAW264.7 cells (a murine macrophage cell line) [66]. Moreover, *C9orf72* knockdown has been  
548 shown to lead to the upregulation of *Trem2* and *TYRO protein tyrosine kinase-binding protein* in mice  
549 [68], which both encode proteins important for the regulation of phagocytosis [71]. Hence, we next  
550 characterized the phagocytic activity in the iMG from bvFTD patients carrying or not the *C9orf72*  
551 HRE and compared it to that of the control iMG. To this end, we incubated the iMG with pH-sensitive  
552 zymosan-coupled bioparticles and followed their uptake. Upon addition of the bioparticles, all iMG  
553 first showed increased red fluorescence, indicating phagocytic uptake of the particles, and  
554 subsequently increased number and length of motile processes (Fig. 7 a; Supplementary Videos). Area  
555 and intensity of the red fluorescence signal were measured over time in live iMG. iMG of bvFTD  
556 patients carrying the *C9orf72* HRE showed an increased area (Fig. 7 b, h) and intensity of the  
557 fluorescence signal (Fig. 7 c, i) when compared to iMG from healthy controls and sporadic bvFTD  
558 patients, suggesting increased phagocytosis of the bioparticles. Serum starvation has been shown to  
559 dampen phagocytosis of human iPSC-derived microglia *in vitro* in a previous study [8]. However, in  
560 contrast, we observed an increase in the fluorescent area in all iMG after serum starvation compared  
561 to the non-starved cells (Fig. 7 d, f, h). Only in the iMG of the sporadic bvFTD patients, the  
562 fluorescence intensity was significantly increased after serum starvation compared to the non-starved  
563 condition (Fig. 7 e, g, i). Moreover, iMG of sporadic bvFTD patients also showed increased area (Fig.  
564 7 d, f, h) and intensity (Fig. 7 e, g, i) of the fluorescent signal as compared to healthy controls under  
565 serum starvation. The iMG of bvFTD patients carrying the *C9orf72* HRE still showed the biggest  
566 increase in the fluorescent area and intensity as compared to the other iMG also after serum  
567 starvation, further supporting the notion that they show increased phagocytic activity. These results  
568 suggest that iMG carrying the *C9orf72* HRE display increased phagocytosis both under basal and  
569 serum-starved conditions compared to the iMG from sporadic bvFTD patients and healthy controls.  
570 After serum starvation, also the iMG of sporadic bvFTD patients show increased phagocytosis  
571 compared to the iMG from the healthy controls.

572 **3.7. iMG of *C9orf72* HRE carriers exhibit expressional changes in genes related to phagocytosis**

573 **and autophagy**

574 Next, we investigated whether genes related to phagocytosis and autophagy were differentially  
575 expressed in the iMG of *C9orf72* HRE bvFTD patients. According to RNA sequencing, no  
576 differences in the expression of receptors, which have been shown to bind zymosan, including  
577 *CLEC7A* or *TLR2, 5, and 6* [72, 73], could be detected (Supplementary Fig. 11 a). Pathway analysis of  
578 genes involved in phagocytosis regulation and recognition and autophagy showed that *CD93*, Ras-  
579 related C3 botulinum toxin substrate 2 (*RAC2*), *CD300A*, and Coronin 1C (*CORO1C*) were expressed  
580 at higher levels in the iMG carrying the *C9orf72* HRE as compared to iMG from healthy controls or  
581 sporadic bvFTD patients (Supplementary Fig. 11 b). However, these changes were significant only in  
582 comparison to sporadic bvFTD iMG but not to the iMG from healthy controls (Supplementary Table  
583 2). Similarly, the expression of heat shock protein 90 alpha family class A member 1 (*HSP90AA1*)  
584 and tubulin alpha 1b (*TUBA1B*), which are related to autophagy, were significantly upregulated in the  
585 iMG of *C9orf72* HRE carriers as compared to iMG from sporadic bvFTD patients but not to iMG  
586 from healthy controls (Supplementary Fig. 11 a; Supplementary Table 2). Thus, these RNA-based  
587 analyses of genes regulating autophagy or phagocytosis do not indicate similar changes in the iMG of  
588 healthy controls and sporadic bvFTD patients, which compared to the expressional changes in the  
589 iMG of *C9orf72* HRE-carrying bvFTD patients would explain the observed increased phagocytic  
590 activity in the iMG of *C9orf72* HRE-carrying bvFTD patients.

591 **3.8. iMG of *C9orf72* HRE carriers and sporadic bvFTD patients show differential expression of**

592 **genes involved in processes of RNA and protein regulation and cellular energy metabolism**

593 Gene-set enrichment analysis revealed that pathways involved in the regulation of different RNA  
594 (tRNA, rRNA, mRNA, ncRNA) processes and protein translation, localization, and degradation were  
595 specifically upregulated in the iMG from the *C9orf72* HRE-carrying bvFTD patients as compared to  
596 sporadic bvFTD patients. Furthermore, genes involved in energy metabolism, including mitochondrial  
597 metabolism, were upregulated in the iMG from *C9orf72* HRE carriers as compared to sporadic  
598 bvFTD patients. Interestingly, the iMG of sporadic bvFTD patients showed a decreased expression

599 pattern in pathways related to rRNA, tRNA, and ncRNA metabolism when compared to iMG of  
600 healthy controls (Fig. 8).

601 **3.9. iMG of *C9orf72* HRE carriers display differential expression of genes involved in acute**  
602 **inflammatory response**

603 In comparison to healthy controls, iMG from *C9orf72* HRE bvFTD patients specifically showed a  
604 higher expression of genes involved in acute inflammatory response, namely orosomucoid 1 (*ORM1*),  
605 prostaglandin-endoperoxide synthase 2 (*PTGS2*), and S100 calcium-binding protein A8 (*S100A8*)  
606 (Fig. 8; Supplementary Figure 12 a, Supplementary Table 2). The levels of some cytokines and  
607 chemoattractants related to microglial activation, such as C-C motif chemokine ligand 2 (*CCL2*),  
608 chitinase 1 (*CHIT1*), IL-18, and tumor necrosis factor  $\alpha$  (*TNF $\alpha$* ), have been found elevated in the  
609 plasma or cerebrospinal fluid (CSF) of *C9orf72* HRE patients, whereas the levels of C-X-C motif  
610 chemokine ligand 10 (*CXCL10*) were decreased. The levels of IL-1 $\beta$  also negatively correlated with  
611 survival [74–77]. However, the RNA levels of none of these genes were altered in the *C9orf72* HRE-  
612 carrying or sporadic bvFTD patient iMG as compared to control iMG. An exception was *IL1B*, which  
613 showed higher levels in the iMG of *C9orf72* HRE bvFTD patients as compared to sporadic bvFTD  
614 patients but not as compared to healthy controls (Supplementary Fig. 12 b; Supplementary Table 2).  
615 Finally, heterozygous and homozygous *3110043O21Rik* (mouse *C9orf72*) knockout mice were  
616 recently reported to exhibit an increase in interferon response microglia (IRM) signature and a  
617 decrease in gene expression linked to active response microglia (ARM). In line with these changes  
618 observed in mice, pronounced IFN type I signaling in the peripheral mononuclear blood cells,  
619 monocyte-derived macrophages, and cerebellar tissue of *C9orf72* HRE-carrying ALS patients when  
620 compared to sporadic ALS patients were reported [39, 78]. However, in the present study, no obvious  
621 changes in the IRM or ARM signature could be detected in the iMG of *C9orf72* HRE-carrying bvFTD  
622 patients when compared to the iMG from sporadic bvFTD patients or healthy controls according to  
623 our RNA sequencing data (Supplementary Table 2).

624 **4. Discussion**

625 In this study, we have generated for the first time iMG from *C9orf72* HRE-carrying and sporadic  
626 bvFTD patients and compared them to iMG from healthy controls. Using RNA sequencing, we  
627 confirmed that all the iMG similarly expressed typical microglial genes, indicating that they  
628 successfully acquired microglial identity. This was further confirmed by immunofluorescence staining  
629 of several microglial markers at the protein level. These findings validate the applicability of a  
630 previously published protocol [13] to differentiate iPSCs into iMG *in vitro* from both *C9orf72* HRE-  
631 carrying and sporadic patients clinically diagnosed with bvFTD.

632 Our examinations indicated that *C9orf72* HRE-carrying iMG from bvFTD patients did not present  
633 reduced *C9orf72* levels but showed formation of sense RNA foci in the nuclei and expression of poly-  
634 GP DPR proteins, suggesting that under basal culture conditions, the iMG partially recapitulate the  
635 *C9orf72* HRE-derived pathological hallmarks typically detected in the CNS of the patients. These  
636 findings are in accordance with previous studies on iMG from *C9orf72* HRE ALS and ALS/FTD  
637 patients, showing the presence of RNA foci and DPR proteins [41, 42]. Interestingly, in the study by  
638 Vahsen et al., poly-GA and poly-GP proteins were detected at higher levels in iPSC-derived  
639 motoneurons compared to iMG [42]. Reduced *C9orf72* protein levels were detected in two studies  
640 when comparing the *C9orf72* HRE iMG to healthy control [41, 42] or to isogenic control lines in one  
641 study (Banerjee et al., 2023). Previously, we have detected RNA foci, but not DPR proteins nor  
642 *C9orf72* haploinsufficiency, in *C9orf72* HRE-carrying skin biopsy-derived fibroblasts [43] from  
643 which the iPSCs and iMG used in this study were generated. These findings may implicate that  
644 specific mechanisms, such as methylation of the *C9orf72* promoter [79] involved in the regulation of  
645 the *C9orf72* expression, may differ from those in the other cell types or the brain where  
646 haploinsufficiency has been detected.

647 The iMG from sporadic or *C9orf72* HRE-carrying bvFTD patients did not display signs of TDP-43  
648 pathology as indicated by the absence of clear cytoplasmic TDP-43 inclusions, TDP-43  
649 hyperphosphorylation, cleavage to C-terminal fragments, or increased translocation of TDP-43 from  
650 nucleus to cytosol. No TDP-43 pathology in the fibroblasts of the bvFTD patients carrying or not the

651 *C9orf72* HRE compared to the fibroblasts from healthy donors was detected in our previously  
652 published study either [43]. In our previous studies using mouse microglial BV-2 cells overexpressing  
653 the *C9orf72* HRE, we found that the cells expressed poly-GA and poly-GP DPR proteins but there  
654 were no RNA foci nor changes in the *C9orf72* levels. These cells showed slightly increased nucleus-  
655 to-cytoplasm translocation of TDP-43, suggesting mild TDP-43 pathology [51]. Altogether, these  
656 findings are in agreement with studies by others and support the idea that cytosolic TDP-43  
657 accumulation and formation of TDP-43 pathology might be driven by accumulation of DPR proteins  
658 [80] rather than the presence of RNA foci or *C9orf72* haploinsufficiency. Similarly to the present  
659 study, the iMG from *C9orf72* HRE ALS and ALS/FTD patients expressing poly-GA and poly-GP  
660 proteins also lacked TDP-43 pathology in previous studies [41, 42]. Therefore, these studies could  
661 indicate that development of TDP-43 pathology in the iMG might need a longer time or require the  
662 presence of additional stress. Early nuclear TDP-43 pathology detectable with TDP-43 RNA aptamers  
663 but not with classic antibodies has been suggested to occur prior to cytoplasmic accumulation of TDP-  
664 43 and precede clinical symptoms in ALS patients [81]. Testing whether similar nuclear TDP-43  
665 pathology is present in the bvFTD patient-derived iMG might give further insights into whether the  
666 iMG recapitulate an early stage of TDP-43 pathology.

667 We have reported that p62/SQSTM1-positive vesicles were enlarged and accumulated in the  
668 fibroblasts of bvFTD patients compared to healthy controls regardless of the presence or absence of  
669 the *C9orf72* HRE [43]. p62/SQSTM1 protein localizes in the autophagosomes and undergoes  
670 autophagosomal degradation. Therefore, alterations in its levels may indicate changes in the  
671 autophagosomal activity [82]. No changes in the autophagosomal function in the bvFTD patient  
672 fibroblasts were detected in our previous study [43]. Here, we detected no differences in LC3BI to  
673 LC3BII conversion in *C9orf72* HRE-carrying or sporadic bvFTD iMG and control iMG under basal  
674 conditions or following Bafilomycin A1 treatment, indicating unaltered autophagosomal activity.  
675 However, in contrast to the fibroblasts, immunofluorescence studies revealed a reduced number and  
676 size of p62/SQSTM1-positive vesicles in the iMG of *C9orf72* HRE-carrying bvFTD patients, which  
677 might be indicative of enhanced function of the autophagosomal pathway. Furthermore, regardless of

678 the *C9orf72* HRE carriership, iMG of all bvFTD patients displayed a lower number of LAMP2-A-  
679 positive vesicles, which also showed decreased size and levels of LAMP2-A, suggesting possible  
680 alterations in lysosomes. Reduced number of LAMP2-positive vesicles in iPSC-derived motoneurons  
681 from sporadic ALS and *C9orf72* HRE-carrying ALS patients compared to healthy control has also  
682 previously been reported [30, 83]. Together, these findings suggest that there may be cell type-  
683 specific alterations in the autophagosomal-lysosomal pathways in the bvFTD patient-derived cells,  
684 including microglia, but detailed characterization of such potential changes remains the subject of  
685 further studies.

686 Autophagosomal-lysosomal function is intimately linked to phagocytosis in phagocytosing cells, such  
687 as microglia. Increased phagocytosis and synaptic pruning have been shown to take place in microglia  
688 of homozygous *C9orf72* knock-out mice [39]. Here, iMG of *C9orf72* HRE-carrying bvFTD patients  
689 showed significantly increased fluorescence signal of phagocytosed zymosan beads, implicating their  
690 increased uptake by phagocytosis. In a similar manner, Lorenzini et al. reported increased A $\beta$  but not  
691 synaptoneurosome uptake [41], suggesting that the *C9orf72* HRE-carrying microglia may show  
692 differences in the phagocytosis of different substances. In the study by Banerjee et al., on the other  
693 hand, reduced phagocytosis of zymosan beads was detected with 10-fold higher concentrations of the  
694 beads as compared to our study and this reduction was observed already after 30 to 75 min [23]. This  
695 difference might be explained by the prominently lower *C9orf72* levels [23] as compared to the  
696 *C9orf72* HRE iMG in our study. They also detected disrupted autophagy initiation after Bafilomycin  
697 A1 treatment, but no differences in the number of p62/SQSTM1 vesicles under basal conditions as  
698 compared to isogenic controls [23]. Notably, in our study, there was a decrease in the number,  
699 intensity, and size of the in p62/SQSTM1 vesicles between the iMG from *C9orf72* HRE vs. sporadic  
700 bvFTD patients.

701 These functional findings together with lower numbers of p62/SQSTM1- and LAMP2-A-positive  
702 vesicles, possibly indicating their increased turnover, in *C9orf72* HRE-carrying iMG suggest that  
703 these cells intrinsically show an increased phagocytic activity. Interestingly, serum starvation led to a  
704 higher phagocytic activity in *C9orf72* HRE-carrying iMG but also in the iMG of sporadic bvFTD

705 patients. Thus, a fewer number of LAMP2-A-positive vesicles and a higher phagocytic activity under  
706 serum starvation as compared to iMG of the healthy controls suggest potential changes in the  
707 autophagosomal-lysosomal pathway also in sporadic bvFTD iMG under specific conditions.  
708 According to our RNA sequencing data, no specific genes or pathways related to phagocytosis and  
709 autophagy showing differential expression in both iMG from healthy controls and sporadic bvFTD  
710 patients compared to the iMG from *C9orf72* HRE-carrying bvFTD patients could be identified, which  
711 could explain the observed augmented phagocytic activity of the *C9orf72* HRE-carrying iMG.  
712 Therefore, a proteomic approach might be useful to further investigate the underlying mechanisms of  
713 the increased phagocytosis and possible alterations in the autophagosomal and lysosomal pathways.  
714 The severity of impaired phagocytosis of iMG from ALS patients has been correlated with disease  
715 progression pointing to a potential clinical relevance of this important microglial function [84].

716 According to gene-set enrichment analysis, the RNA profiles of iMG of bvFTD patients carrying the  
717 *C9orf72* HRE *vs.* sporadic bvFTD patients showed remarkable differences. These differentially  
718 enriched genes and pathways point towards strong differences in processes related to RNA and  
719 protein regulation and energy metabolism. In general, these pathways showed an upregulation in the  
720 *C9orf72* HRE-carrying iMG as compared to the sporadic bvFTD iMG. However, in accordance with  
721 the findings by Lorenzini et al., the RNA profiles of the *C9orf72* HRE-carrying iMG modestly  
722 differed from those of the healthy control iMG [41]. In contrast, the sporadic iMG showed marked  
723 differences to the healthy control iMG in their RNA profiles, indicated by downregulation of *e.g.*,  
724 pathways related to RNA and protein regulations, suggesting an opposite profile to that in the *C9orf72*  
725 HRE patient iMG. In the future, more detailed investigations will be needed to investigate which kind  
726 of functional consequences these differences in the gene profiles may have and if they are further  
727 reflected in other cell types of the same patients as well. Elucidating whether functional changes in  
728 these essential cellular processes in the bvFTD patient-derived iMG are indeed present might prove  
729 important *e.g.*, in future drug design or biomarker discovery.

730 Even though several inflammation-related proteins have been reported to be differentially expressed  
731 in the CSF or plasma of *C9orf72* HRE-carrying patients, we did not observe an overt inflammatory

732 phenotype in the iMG from bvFTD patients carrying or not the *C9orf72* HRE under basal conditions.  
733 Neither did the RNA sequencing reveal a phenotypic change of the bvFTD iMG to the recently  
734 reported ARM or IRM [39, 78]. However, compared to the iMG from healthy controls, iMG from  
735 *C9orf72* HRE-carrying bvFTD patients did show an increased expression of *ORM1*, *PTGS2*, and  
736 *S100A8*, which are genes involved in acute inflammatory response. *ORM1* gene expression was also  
737 increased in the iMG of sporadic bvFTD patients as compared to healthy control iMG, but the  
738 expression of *PTGS2* and *S100A8* was only elevated in *C9orf72* HRE carriers compared to the other  
739 two groups. The expression of *PTGS2*, also known as cyclooxygenase-2 (*COX-2*), can be regulated by  
740 *S100A8*, and *S100A8* has been shown to induce the release of pro-inflammatory cytokines by mouse  
741 microglia *in vitro* [85, 86]. Therefore, stimulation the *C9orf72* HRE iMG with different inflammatory  
742 stimuli and defining their RNA profiles or measuring the release of inflammatory cytokines might  
743 provide further insights into whether these cells show differential activation states or function as  
744 compared to the iMG from sporadic bvFTD patients or healthy controls. Furthermore, since none of  
745 the proteins encoded by the previously mentioned genes were significantly differentially expressed in  
746 the brains of sporadic *vs.* *C9orf72* HRE-carrying ALS patients in a previous report [87], it might be  
747 interesting to measure their levels in *e.g.* blood samples or in CSF of bvFTD patients to evaluate if  
748 these RNA-level findings could be translated to potential biomarkers.

749 One limitation of our study is the use of monocultures of the iMG. Previous studies have indicated  
750 that microglia readily respond to the signals coming from their environment and surrounding cells,  
751 such as neurons, and that their activation stage changes upon these cues. Moreover, isolated microglia  
752 or microglia cultured *in vitro* show different RNA expression profiles than the brain-resident  
753 microglia *in vivo* [88]. In line with these studies, several mouse models of the *C9orf72* HRE suggest  
754 that neuron-microglia interaction might cause microglia activation and affect their function [89].  
755 Thus, it would be important to study also the *C9orf72* HRE-carrying iMG, for example, in co-cultures  
756 with neurons. This might be especially important since human iPSC-derived microglia-neuron co-  
757 cultures show higher expression of *C9orf72* as compared to monocultures of microglia [14]. A higher  
758 *C9orf72* gene expression might also lead to a stronger presence of *C9orf72* HRE-derived pathological

759 hallmarks and therefore more pronounced disease phenotypes in microglia, and potentially  
760 subsequently in neurons as well. Thus, a neuron-microglia co-culture approach might give deeper  
761 insights into disease pathogenesis and underlying mechanisms. Since co-culturing the *C9orf72* HRE-  
762 carrying ALS iMG with motoneurons was shown to increase neuronal vulnerability [23, 42], it would  
763 be important to assess in the future whether this also applies to co-cultures with neurons from bvFTD  
764 patients. On the other hand, we observed that the iMG of bvFTD patients in monocultures showed  
765 differences in potential disease-relevant pathways, such as phagocytosis and RNA, protein, and  
766 energy metabolism, as compared to controls. Moreover, the iMG of *C9orf72* HRE carriers showed  
767 formation of RNA foci and poly-GP DPR proteins, partially recapitulating the pathological changes in  
768 the patient brain. These findings suggest that despite representing a likely immature and simplified  
769 model system, monocultures of iMG may provide important initial insights into potential microglial  
770 alterations in bvFTD that may then be further examined in other more complex and sophisticated  
771 disease models and even in human brain. In the future, it would add to the translational value of the  
772 iMG if the alterations found in this study could be confirmed in the microglia in the brains of the  
773 *C9orf72* HRE-carrying patients. Also, isogenic control lines of *C9orf72* HRE-carrying iPSCs would  
774 be useful as additional controls in addition to the healthy control lines. This might enable  
775 identification of the pathways that are altered specifically due to the *C9orf72* HRE. Moreover,  
776 targeting the formation of RNA foci and DPR proteins through antisense oligonucleotides might shed  
777 light onto the exact underlying molecular mechanisms of the observed phenotypes of the *C9orf72*  
778 HRE-carrying iMG. Finally, since high variance was detected in some experiments, inclusion of a  
779 larger number of iMG lines might increase the statistical power in future experiments.

780 Taken together, here we report for the first time RNA profiles and cell pathological and functional  
781 phenotypes of the iMG derived from both *C9orf72* HRE-carrying and non-carrying sporadic bvFTD  
782 patients. iMG from the *C9orf72* HRE carriers displayed the presence of RNA foci and DPR proteins  
783 and decreased number and size of p62/SQSTM1- and LAMP2-A-positive vesicles, which coincided  
784 with increased phagocytosis, suggesting alterations in the autophagosomal-lysosomal pathways. The  
785 *C9orf72* HRE-carrying bvFTD iMG also specifically showed differential expression of genes

786 involved in RNA, protein, and energy metabolism. Furthermore, increased phagocytosis in sporadic  
787 bvFTD iMG after serum starvation as well as similarly decreased number and size of the LAMP2-A-  
788 positive vesicles to the *C9orf72* HRE-carrying iMG shed light for the first time on partially common  
789 alterations of bvFTD iMG regardless of the genetic background. The present study represents an  
790 initial starting point for using patient-derived iMG as a disease model for bvFTD. Future  
791 investigations utilizing different iMG-based model systems will help to better understand the  
792 underlying molecular mechanisms of different clinical and genetic forms of FTD and the involvement  
793 of microglia in the disease pathogenesis.

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1183

1184 **Declarations**

1185 **Consent for publication**

1186 Not applicable

1187 **Competing interests**

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1200 **Authors' contributions**

1201 Annakaisa Haapasalo and Hannah Rostalski conceptualized the design of the study. Anne M.  
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1203 and Jari Koistinaho collected and processed patient samples and data. Nadine Huber, Stina Leskelä,  
1204 Hannah Rostalski, Petra Mäkinen, Sohvi Ohtonen, and Henna Jäntti validated the methods. Šárka  
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1208 Huber, and Šárka Lehtonen performed biochemical analyses and RNA extraction. Hannah Rostalski  
1209 performed live cell analysis. Ashutosh Dhingra and Salvador Rodriguez-Nieto performed MSD  
1210 immunoassays. Hannah Rostalski, Tomi Hietanen, and Viivi Pekkala analyzed microscopy images.  
1211 Mari Takalo, Henna Martiskainen, and Mikko Hiltunen provided previous RNA sequencing data.  
1212 Teemu Kuulasmaa and Sami Heikkinen performed analysis on RNA sequencing data. Hannah  
1213 Rostalski performed all other analyses and data presentation. Hannah Rostalski wrote the initial draft  
1214 of the article and together with Tomi Hietanen revised the manuscript. Hannah Rostalski, Tomi  
1215 Hietanen, Sami Heikkinen, and Šárka Lehtonen prepared the figures. All authors have contributed to  
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1229 **Data Availability**

1230 The datasets used and/or analyzed during the current study are available from the corresponding  
1231 author on reasonable request.

1232 **Ethics approval**

1233 The patient data used in this project is pseudonymized and is handled using code numbers only.  
1234 Handling of cell cultures related to microglia differentiation is performed with the permission  
1235 123/2016 from the Research Ethics Committee of the Northern Savo Hospital District. The study was  
1236 performed in accordance with the principles of the declaration of Helsinki.

1237 **Consent to participate**

1238 Donors of skin biopsies have given their written informed consent prior to sample collection.

1239 **Figures legends**

1240 **Fig. 1. Microglial identity of iMG from healthy controls, sporadic (C9-) and C9orf72 HRE-  
1241 carrying (C9+) bvFTD patients.** (a) RNA sequencing data for each donor, displayed as variance  
1242 stabilized counts, show expression of selected microglial genes in iMG (red) but not in the iPSCs  
1243 (blue). (b) iMG of a healthy donor (Con\_1) were stained for specific microglial marker proteins. The  
1244 corresponding negative control stainings (no primary antibody) are shown as indicated. Scale bar = 40  
1245 µm. Please see Supplementary Figure 8 for the staining of these markers in the iMG from the other  
1246 donors. (c) UMAP plot shows clustering of iMG closely to monocyte-derived microglial cells

1247 (MDMi) but separately from monocytes and iPSCs. Data are shown from one differentiation batch.  
1248 The individual iPSC and iMG lines are indicated by different symbols below the plots in (a). Abbrev.:  
1249 *AIFI* = Allograft inflammatory factor 1; *C1QA* = Complement C1q subcomponent subunit A; bvFTD  
1250 = behavioral variant frontotemporal dementia; CX3CR1 = CX3C chemokine receptor 1; *GAS6* =  
1251 Growth arrest – specific 6; *GPR34* = G-protein coupled receptor 34; *HEXB* = Beta-hexosaminidase  
1252 subunit beta; HRE = hexanucleotide repeat expansion; IBA1 = ionized calcium binding adapter  
1253 molecule 1; iMG = induced pluripotent stem cell-derived microglia; iPSC = induced pluripotent stem  
1254 cell; MDMi = monocyte-derived microglia; *MERTK* = MER Proto-Oncogene, Tyrosine Kinase;  
1255 P2RY12 = P2Y purinoceptor 12; *PROS1* = Protein S; TMEM119 = transmembrane protein 119;  
1256 TREM2 = Triggering receptor expressed on myeloid cells 2; *TYROBP* = TYRO protein tyrosine  
1257 kinase-binding protein; UMAP = Uniform Manifold Approximation and Projection

1258 **Fig. 2. C9orf72 levels in iMG from healthy controls, sporadic (C9-) and C9orf72 HRE-carrying**  
1259 **(C9+)** **bvFTD patients.** (a) *C9orf72* gene expression for each donor according to RNA sequencing  
1260 shown as variance stabilized counts;  $F = 1.031$ ,  $p = 0.4121$ ;  $n$  [HC] = 3;  $n$  [bvFTD C9-] = 3;  $n$   
1261 [bvFTD C9+] = 3. (b) A representative Western blot image of C9orf72 protein levels in iMG. (c) For  
1262 quantification of Western blot images, C9orf72 levels were normalized to total protein levels and to  
1263 mean of normalized C9orf72 levels of samples from a healthy control. Each data point represents one  
1264 biological replicate from three independent differentiation batches in total;  $H = 5.405$ ,  $p = 0.0670$ ;  $n$   
1265 [HC] = 13;  $n$  [bvFTD C9-] = 23;  $n$  [bvFTD C9+] = 18. (d) Representative immunofluorescence  
1266 images of C9orf72. Scale bar = 30  $\mu$ m. Phalloidin signal was used to normalize the quantified  
1267 C9orf72 levels to cell confluence per region. (e) Quantification of C9orf72 levels based on  
1268 immunofluorescence images. Each data point represents mean C9orf72 levels per region from three  
1269 independent differentiation batches;  $H = 6.208$ ,  $p = 0.0449$ ;  $n$  [HC] = 65;  $n$  [bvFTD C9-] = 81;  $n$   
1270 [bvFTD C9+] = 57. For each group, descriptive statistics are shown as mean  $\pm$  standard deviation (a)  
1271 or median  $\pm$  interquartile range (c). The individual iMG lines are indicated by different symbols at the  
1272 bottom. One-way ANOVA followed by Tukey's multiple comparisons test (a) or Kruskal-Wallis test  
1273 followed by Dunn's comparisons test (c, e) were used for statistical analysis. Abbrev.: bvFTD =

1274 behavioral variant frontotemporal dementia; DAPI = 4',6-diamidino-2-phenylindole; HC = healthy  
1275 control; HRE = hexanucleotide repeat expansion; iMG = induced pluripotent stem cell-derived  
1276 microglia

1277 **Fig. 3. *C9orf72* HRE-derived RNA foci and DPR proteins in iMG from *C9orf72* HRE-carrying  
1278 bvFTD patients.** (a) Intranuclear RNA foci (blue arrow) were detected in iMG of *C9orf72* HRE-  
1279 carrying bvFTD patients (bvFTD C9+) using fluorescence *in situ* hybridization and a *C9orf72* HRE-  
1280 targeting probe (*C4G2* probe). No signal was detected in bvFTD C9+ iMG using a probe, which  
1281 recognizes *CAG* repeats, indicating the specificity of the *C4G2* probe. Also, no signal was detected in  
1282 the iMG of sporadic bvFTD patients (bvFTD C9-) using the *C4G2* probe. Yellow outlines mark  
1283 DAPI-positive nuclei. Scale bar = 10  $\mu$ m. Representative images are shown from two independent  
1284 differentiation batches. (b) Poly-GP DPR proteins were detected in iMG of *C9orf72* HRE-carrying  
1285 bvFTD patients (bvFTD C9+). Poly-GP levels were measured from one healthy control (HC) iMG  
1286 line (Con\_3) and two sporadic bvFTD patient (bvFTD C9-) iMG lines (Ftd\_1, Ftd\_4) as *C9orf72*  
1287 HRE non-carrying controls, and all three bvFTD C9+ iMG lines (Ftd\_5, Ftd\_6, Ftd\_7) from one  
1288 differentiation batch. Measured poly-GP protein levels were normalized to total protein concentration  
1289 per sample and were calculated as arbitrary units (AU). Each data point represents the mean value of  
1290 3-4 measured samples per line;  $p = 0.0251$ . The individual iMG lines are indicated by different  
1291 symbols at the bottom. Descriptive statistics are shown as median  $\pm$  interquartile range. Two-tailed  
1292 independent samples t-test was used for statistical analysis. Abbrev.: AU = arbitrary units; bvFTD =  
1293 behavioral variant frontotemporal dementia; DAPI = 4',6-diamidino-2-phenylindole; DPR = dipeptide  
1294 repeat; HC = healthy control; HRE = hexanucleotide repeat expansion; iMG = induced pluripotent  
1295 stem cell-derived microglia

1296 **Fig. 4. Absence of TDP-43 pathology in iMG from healthy controls, sporadic (C9-) and *C9orf72*  
1297 HRE-carrying (C9+) bvFTD patients.** (a) *TARDBP* gene expression according to RNA sequencing  
1298 shown for each donor as mean  $\pm$  standard deviation of variance stabilized counts;  $F = 2.686$ ,  $p =$   
1299 0.1469;  $n$  [HC] = 3;  $n$  [bvFTD C9-] = 3;  $n$  [bvFTD C9+] = 3; One-way ANOVA followed by Tukey's  
1300 multiple comparisons test was used. (b) A representative Western blot image to detect phosphorylated

1301 (Ser409/410-1; pTDP-43) and total TDP-43 levels in iMG. (c-d) Quantification of Western blot  
1302 images regarding total TDP-43 levels normalized to total protein levels (c) and pTDP-43 levels  
1303 normalized to total TDP-43 levels (d). Each data point represents one biological replicate from three  
1304 independent differentiation batches in total (c, d). Levels of total TDP-43/total protein (c) or pTDP-  
1305 43/total TDP-43 (d) were normalized to mean levels of samples from a healthy control (Con\_2). For  
1306 c:  $F = 0.01649$ ,  $p = 0.9837$ . For d:  $H = 0.3751$ ,  $p = 0.8290$ . For c, d:  $n$  [HC] = 11;  $n$  [bvFTD C9-] =  
1307 25;  $n$  [bvFTD C9+] = 18. (e) Quantification of cytosolic-to-nuclear TDP-43 based on  
1308 immunofluorescence imaging. Each data point represents one region from three independent  
1309 differentiation batches. For e:  $H = 1.381$ ,  $p = 0.5012$ ;  $n$  [HC] = 60;  $n$  [bvFTD C9-] = 75;  $n$  [bvFTD  
1310 C9+] = 66. The individual iMG lines are indicated by different symbols at the bottom. For each group,  
1311 descriptive statistics are shown as mean  $\pm$  standard deviation (c) or median  $\pm$  interquartile range (d-e).  
1312 One-way ANOVA followed by Tukey's multiple comparisons test (c) or Kruskal-Wallis test followed  
1313 by Dunn's comparisons test (d-e) were used for statistical analysis. (f) Representative microscopy  
1314 images of TDP-43-stained iMG. DAPI and phalloidin signals were used to outline nuclei and cell  
1315 boundaries. Scale bar = 30  $\mu$ m. Abbrev.: bvFTD = behavioral variant frontotemporal dementia; DAPI  
1316 = 4',6-diamidino-2-phenylindole; HC = healthy control; HRE = hexanucleotide repeat expansion;  
1317 iMG = induced pluripotent stem cell-derived microglia; iPSC = induced pluripotent stem cell;  
1318 TARDBP = TAR DNA Binding Protein; TDP-43 = TAR DNA-binding protein 43

1319 **Fig. 5. Autophagosomal-lysosomal gene products in iMG from healthy controls, sporadic (C9-)**  
1320 **and C9orf72 HRE-carrying (C9+) bvFTD patients.** (a) *LAMP2*, *SQSTM1*, and *MAP1LC3B* gene  
1321 expression according to RNA sequencing shown for each donor as mean  $\pm$  standard deviation of  
1322 variance stabilized counts; *LAMP2*:  $F = 0.7255$ ,  $p = 0.5222$ ; *SQSTM1*:  $F = 4.914$ ,  $p = 0.0545$ ;  
1323 *MAP1LC3B*:  $F = 3.493$ ,  $p = 0.0986$ ;  $n$  [HC] = 3;  $n$  [bvFTD C9-] = 3;  $n$  [bvFTD C9+] = 3. (b)  
1324 Representative Western blot images of LAMP2-A, p62/SQSTM1, and total protein signal.  
1325 Quantification of LAMP2-A (c) and p62/SQSTM1 (d) signals normalized to total protein levels. (e)  
1326 Representative Western blot images of LC3BI and II with and without Bafilomycin A1 (BafA1)  
1327 treatment. (f) Quantification of LC3BII/I ratio after normalization to total protein levels. Each data

1328 point represents one biological replicate from three (two for e, f) independent differentiation batches  
1329 in total. For c:  $H = 0.6289$ ,  $p = 0.7302$ ; d:  $F = 0.09748$ ,  $p = 0.9073$ ; f:  $F$  [treatment] = 37.42,  $p <$   
1330 0.0001,  $F$  [group] = 2.655,  $p = 0.0773$ ,  $F$  [interaction] = 1.459,  $p = 0.2394$ . For c, d:  $n$  [HC] = 11;  $n$   
1331 [bvFTD C9-] = 25;  $n$  [bvFTD C9+] = 18. For f:  $n$  [HC, vehicle] = 6;  $n$  [HC, BafA1] = 8;  $n$  [bvFTD  
1332 C9-, vehicle] = 14;  $n$  [bvFTD C9-, BafA1] = 15;  $n$  [bvFTD C9+, vehicle] = 16;  $n$  [bvFTD C9+,  
1333 BafA1] = 17. The individual iMG lines are indicated by different symbols at the bottom. For each  
1334 group, descriptive statistics are shown as mean  $\pm$  standard deviation (a, d, f) or median  $\pm$  interquartile  
1335 range (c). One-way ANOVA followed by Tukey's multiple comparisons test (a, d), Kruskal-Wallis  
1336 test followed by Dunn's comparisons test (c) or two-way ANOVA followed by Sidak's multiple  
1337 comparisons test (f) were used for statistical analysis. Abbrev.: BafA1 = Bafilomycin A1; bvFTD =  
1338 behavioral variant frontotemporal dementia; HC = healthy control; HRE = hexanucleotide repeat  
1339 expansion; iMG = induced pluripotent stem cell-derived microglia; kDa = kilo Dalton; LAMP2 =  
1340 Lysosome-associated membrane glycoprotein 2; MAP1LC3B/LC3B = Microtubule-associated  
1341 proteins 1A/1B light chain 3B; SQSTM1 = Sequestosome 1

1342 **Fig. 6. Autophagosomal-lysosomal vesicles in iMG of healthy controls, sporadic (C9-) and**  
1343 **C9orf72 HRE-carrying (C9+) bvFTD patients.** Representative immunofluorescence images are  
1344 shown per group for LAMP2-A (a) and p62/SQSTM1 (e). Phalloidin staining was used to outline the  
1345 cell boundaries. Scale bars = 30  $\mu$ m. Each data point represents the mean value (number of vesicles;  
1346 integrated density and area of LAMP2-A $^+$  vesicles) of one region (b, c, d, f) or the value (integrated  
1347 density and area) of one SQSTM1 $^+$  vesicle (g, h) from three independent differentiation batches in  
1348 total. For b:  $H = 48.43$ ,  $p < 0.0001$ ; c:  $H = 39.85$ ,  $p < 0.0001$ ; d:  $H = 40.39$ ,  $p < 0.0001$ . For b-d:  $n$   
1349 [HC] = 57;  $n$  [bvFTD C9-] = 78;  $n$  [bvFTD C9+] = 60. For f:  $H = 6.596$ ,  $p = 0.0370$ ,  $n$  [HC] = 49;  $n$   
1350 [bvFTD C9-] = 47;  $n$  [bvFTD C9+] = 39. For g:  $H = 9.761$ ,  $p = 0.0076$ ,  $n$  [HC] = 53;  $n$  [bvFTD C9-]  
1351 = 78;  $n$  [bvFTD C9+] = 58. For h:  $H = 10.54$ ,  $p = 0.0051$ ,  $n$  [HC] = 53;  $n$  [bvFTD C9-] = 78;  $n$   
1352 [bvFTD C9+] = 59. The individual iMG lines are indicated by different symbols at the bottom. For  
1353 each group, descriptive statistics are shown as median  $\pm$  interquartile range. Kruskal-Wallis test  
1354 followed by Dunn's comparisons test was used for statistical analysis. Abbrev.: bvFTD = behavioral

1355 variant frontotemporal dementia; HC = healthy control; HRE = hexanucleotide repeat expansion; iMG  
1356 = induced pluripotent stem cell-derived microglia; LAMP2 = Lysosome-associated membrane  
1357 glycoprotein 2; SQSTM1 = Sequestosome 1

1358 **Fig. 7. Phagocytosis in iMG of healthy controls, sporadic (C9-) and *C9orf72* HRE-carrying**  
1359 **(C9+)** bvFTD patients. iMG cultured under normal conditions were incubated with pHrodo zymosan  
1360 beads and imaged over time. (a) Representative images of iMG from a healthy donor. Scale bar = 150  
1361  $\mu$ m. For each well, red fluorescence was measured over time and normalized to confluence prior to  
1362 zymosan bead addition. Area of red fluorescence (b, d, f, h) or fluorescence intensity (c, e, g, i) per  
1363 well were calculated. Data are shown as mean  $\pm$  standard error of mean (b-g) or mean  $\pm$  standard  
1364 deviation (h, i). Statistical testing (one-way ANOVA followed by Sidak's multiple comparisons test)  
1365 was applied after area under the curve (AUC) analysis (h:  $F = 97.11$ ,  $p < 0.0001$ , i:  $F = 38.34$ ,  $p <$   
1366 0.0001). Data are shown from two independent differentiation batches ( $n$  [HC] = 12;  $n$  [bvFTD C9-] =  
1367 12;  $n$  [bvFTD C9+] = 7;  $n$  [bvFTD C9+ starved] = 8). Abbrev.: bvFTD = behavioral variant  
1368 frontotemporal dementia; HC = healthy control; HRE = hexanucleotide repeat expansion; iMG =  
1369 induced pluripotent stem cell-derived microglia; RCU = red calibrated unit

1370 **Fig. 8. Differentially enriched pathways in iMG of healthy controls, sporadic (C9-), and *C9orf72***  
1371 **HRE-carrying (C9+)** bvFTD patients. The dot plot displays, for the three differently colored  
1372 comparisons, the gene set enrichment analysis (GSEA) results for the MSigDB gene set collections  
1373 GO Biological Processes (C5 GO BP) and Canonical Pathways (C2 CP). Normalized enrichment  
1374 score (NES) is shown in the x-axis whereas the categorical statistical significance (FDR) is indicated  
1375 by the size of the marker. Data are shown from one differentiation batch. Abbrev.:  
1376 bvFTD = behavioral variant frontotemporal dementia; *CLEC7A* = C-type lectin domain containing  
1377 7A; HC = healthy control; HRE = hexanucleotide repeat expansion; iMG = induced pluripotent stem  
1378 cell derived microglia; NES = Normalized Enrichment Score; NS = not significant

1379 **Supplementary Information (SI)**

1380 **Supplementary Table 1**

1381

**Supplementary Table 1.** Information on donors; n.a. = not available

Sample ID	Sex	Age at sampling	Carriership of <i>C9orf72</i> hexanucleotide repeat expansion	Experiments in which the iMG were used
Con_1	female	n.a.	no	all
Con_2	male	n.a.	no	all
Con_3	male	n.a.	no	all
Ftd_1	male	56	no	all
Ftd_2	male	67	no	all
Ftd_4	female	53	no	all
Ftd_5	female	55	yes	all
Ftd_6	male	77	yes	all
Ftd_7	male	50-54	yes	RNA sequencing (UCLi001-A; EBiSC)

1382

**Supplementary Table 2. DEG and GSEA results on RNA sequencing data (s. online)**

1384 **Supplementary Fig. 1. iPSCs from healthy controls, sporadic (C9-) and *C9orf72* HRE-carrying**  
1385 **(C9+)** bvFTD patients express pluripotency genes. qPCR was used to assess gene expression levels  
1386 of different pluripotency marker genes in iPSCs. Each datapoint indicates technical replicates in each  
1387 iPSC line. Abbrev.: bvFTD = behavioral variant frontotemporal dementia; HC = healthy control; HRE  
1388 = hexanucleotide repeat expansion; iPSCs = induced pluripotent stem cells; NANOG = Nanog  
1389 homeobox; POU5F1 = POU domain, class 5, transcription factor 1; SOX2 = SRY (sex determining  
1390 region Y)-box 2

1391 **Supplementary Fig. 2. iPSCs from healthy controls, sporadic (C9-) and *C9orf72* HRE-carrying**  
1392 **bvFTD (C9+)** patients express pluripotency markers. iPSCs were stained for different pluripotency  
1393 markers. Scale bar = 50  $\mu$ m. Abbrev.: bvFTD = behavioral variant frontotemporal dementia; HC =  
1394 healthy control; HRE = hexanucleotide repeat expansion; iPSCs = induced pluripotent stem cells;  
1395 NANOG = Nanog homeobox; POU5F1 = POU domain, class 5, transcription factor 1; SSEA4 =  
1396 Stage-specific embryonic antigen 4; TRA181 = Tumor-related Antigen-1-81

1397 **Supplementary Fig. 3. Quality control of iPSCs from healthy controls, sporadic (C9-) and**  
1398 ***C9orf72* HRE-carrying bvFTD (C9+)** patients. (a) A representative image of iPSCs from which the  
1399 iMG were generated in this study. iMG were incubated with Vybrant dye (nuclear stain; green). Scale  
1400 bar = 400  $\mu$ m. (b) RNA sequencing data (mean  $\pm$  standard deviation of variance stabilized counts)

1401 show expression of different stem cell marker genes in iPSCs (blue) but not in the differentiated iMG  
1402 (red) for each donor. Data on iMG RNA are shown from one differentiation batch. The individual  
1403 iMG lines are indicated by different symbols at the bottom. Abbrev.: bvFTD = behavioral variant  
1404 frontotemporal dementia; HC = healthy control; HRE = hexanucleotide repeat expansion;  
1405 iMG = induced pluripotent stem cell-derived microglia; iPSCs = induced pluripotent stem cells;  
1406 NANOG = Nanog homeobox; POU5F1 = POU domain, class 5, transcription factor 1; SOX2 = SRY  
1407 (sex determining region Y)-box 2

1408 **Supplementary Fig. 4. Karyotypes of iPSCs from healthy controls, sporadic (C9-) and C9orf72**  
1409 **HRE-carrying bvFTD (C9+) patients.** The karyotypes from all lines are shown. Abbrev.: bvFTD =  
1410 behavioral variant frontotemporal dementia; HC = healthy control; HRE = hexanucleotide repeat  
1411 expansion; iPSCs = induced pluripotent stem cells

1412 **Supplementary Fig. 5. Timeline for iMG differentiation.** Days of the differentiation protocol are  
1413 indicated by the circles. Days of freezing and thawing of erythromyeloid progenitors and subsequent  
1414 experiments with iMG are indicated in black. Experimental days with cells, which were not frozen  
1415 and thawed in between are shown with bright gray lines. Abbrev.: FISH = fluorescence *in situ*  
1416 hybridization; IF = immunofluorescence; iMG = induced pluripotent stem cell-derived microglia; WB  
1417 = Western blot

1418 **Supplementary Fig. 6. TDP-43 translocation analysis in iMG.** (a) Representative microscopy  
1419 images of TDP-43 translocation types are shown. Yellow outlines depict areas of DAPI-positive  
1420 nuclei and phalloidin-positive areas, indicating cell boundaries. Scale bar = 5  $\mu$ m. For statistical  
1421 testing, Kruskal-Wallis test followed by Dunn's multiple comparisons test (b;  $H = 170.7$ ,  $p < 0.0001$ ,  
1422  $n$  [type 1] = 9,  $n$  [type 2] = 391,  $n$  [type 3] = 70,  $n$  [type 4] = 3) and two-tailed Mann-Whitney test (c;  
1423 test statistics = 712,  $n$  [non-pathological] = 400,  $n$  [pathological] = 73) were used. (d) Similar ratios of  
1424 non-pathological *vs.* pathological TDP-43 translocation status were detected in healthy control iMG  
1425 (98.539% *vs.* 1.461%), sporadic bvFTD iMG (98.277% *vs.* 1.723%), and C9orf72 HRE-carrying  
1426 bvFTD iMG (98.759% *vs.* 1.241%), respectively, without significantly different distribution ( $p =$   
1427 0.3630,  $\chi^2 = 2.027$ , degree of freedom = 2). Data are shown from three independent differentiation

1428 batches. The individual iMG lines are indicated by different symbols at the bottom. Abbrev.: DAPI =  
1429 4',6-diamidino-2-phenylindole; iMG = induced pluripotent stem cell-derived microglia; TDP-43 =  
1430 TAR DNA-binding protein 43

1431 **Supplementary Fig. 7. Principal component analysis of normalized RNA sequencing data.**  
1432 Principal component analysis revealed variation between sequencing batches to be corrected for in the  
1433 differential expression analysis. Abbrev.: PC = principal component

1434 **Supplementary Fig. 8. Myeloid/microglial markers in iMG from healthy controls, sporadic (C9-  
1435 ) and *C9orf72* HRE-carrying (C9+) bvFTD patients.** (a) iMG were stained for myeloid  
1436 lineage/microglial marker proteins. (b) Negative control staining without primary antibodies  
1437 (secondary antibody only). Scale bar = 25  $\mu$ m. Data are shown from one differentiation batch.  
1438 Abbrev.: bvFTD = behavioral variant frontotemporal dementia; CX3CR1 = CX3C chemokine  
1439 receptor 1; HC = healthy control; HRE = hexanucleotide repeat expansion; IBA1 = ionized calcium  
1440 binding adapter molecule 1; iMG = induced pluripotent stem cell-derived microglia; iPSC = induced  
1441 pluripotent stem cell; P2RY12 = P2Y purinoceptor 12; TMEM119 = transmembrane protein 119;  
1442 TREM2 = Triggering receptor expressed on myeloid cells 2

1443 **Supplementary Fig. 9. Assessment of RNA foci in the iMG of *C9orf72* HRE-carrying (C9+)  
1444 bvFTD patients.** Microscopy images showing intranuclear RNA foci, detected by fluorescence *in situ*  
1445 hybridization (FISH) using the TYE<sup>TM</sup> 563(CCCCGG)<sub>3</sub> probe (red) and indicated by the blue arrow.  
1446 Nuclei were counterstained with DAPI (blue). Data are shown from one differentiation batch. Scale  
1447 bar = 5  $\mu$ m. Abbrev.: bvFTD = behavioral variant frontotemporal dementia; DAPI = 4',6-diamidino-  
1448 2-phenylindole; HRE = hexanucleotide repeat expansion; iMG = induced pluripotent stem cell-  
1449 derived microglia

1450 **Supplementary Fig. 10. TDP-43 Western Blots from iMG of healthy controls, sporadic (C9-)  
1451 and *C9orf72* HRE-carrying (C9+) bvFTD patients.** (a-c) Uncropped Western blot images (showing  
1452 total TDP-43 signals) are shown from three independent differentiation batches for individual iMG  
1453 lines. Signal was enhanced after image acquisition to check for faint signals emerging from potential

1454 C-terminal fragments. The presence of C-terminal TDP-43 fragments (~35 and ~25 kDa) was not  
1455 evident on the blots. Abbrev.: bvFTD = behavioral variant frontotemporal dementia; HC = healthy  
1456 control; HRE = hexanucleotide repeat expansion; iMG = induced pluripotent stem cell-derived  
1457 microglia; kDa = kilo Dalton

1458 **Supplementary Fig. 11. Phagocytosis-related gene expression in iMG of healthy controls,**  
1459 **sporadic (C9-) and *C9orf72* HRE-carrying (C9+) bvFTD patients.** (a) RNA levels according to  
1460 RNA sequencing are shown for each donor as mean  $\pm$  standard deviation of variance stabilized counts  
1461 of *CLEC7A*:  $F = 0.3732$ ,  $p = 0.7035$ ; *TLR2*:  $F = 0.6503$ ,  $p = 0.5551$ ; *TLR5*:  $F = 4.926$ ,  $p = 0.0542$ ;  
1462 *TLR6*:  $F = 0.02323$ ,  $p = 0.9771$ ;  $n$  [HC] = 3;  $n$  [bvFTD C9-] = 3;  $n$  [bvFTD C9+] = 3; One-way  
1463 ANOVA followed by Tukey's multiple comparisons test. (b) Heatmap shows the comparison-wise  
1464 fold changes (log2) for all genes in the Gene ontology biological process phagocytosis category (GO  
1465 0006909), phagolysosome (GO 0032010), autophagosome-lysosome fusion (GO:0061909), and the  
1466 Reactome category autophagy (R-HSA-9612973) that are differentially expressed (FDR  $< 0.05$ ) in  
1467 any of the three comparisons. Significance levels: \* =  $0.01 \leq \text{padj} < 0.05$ , \*\* =  $0.001 \leq \text{padj} < 0.01$ ,  
1468 \*\*\* =  $\text{padj} < 0.001$ . Data are shown from one differentiation batch. The individual iMG lines are  
1469 indicated by different symbols at the bottom. Abbrev.: bvFTD = behavioral variant frontotemporal  
1470 dementia; *CLEC7A* = C-type lectin domain containing 7A; HC = healthy control; HRE =  
1471 hexanucleotide repeat expansion; iMG = induced pluripotent stem cell-derived microglia; *TLR* = Toll-  
1472 like receptor

1473 **Supplementary Fig. 12. Inflammation-related gene expression in iMG of healthy controls,**  
1474 **sporadic (C9-) and *C9orf72* HRE-carrying (C9+) bvFTD patients.** (a) Heatmap shows the  
1475 comparison-wise fold changes (log2) for all genes in the Gene ontology biological process acute  
1476 inflammatory response (GO 0002526) that are differentially expressed (FDR  $< 0.05$ ) in any of the  
1477 three comparisons. (b) RNA levels of *CCL2*:  $F = 1.767$ ,  $p = 0.2493$ ; *CHIT1*:  $F = 1.252$ ,  $p = 0.3511$ ;  
1478 *CXCL10*:  $F = 1.230$ ,  $p = 0.3567$ ; *ILB*:  $F = 7.063$ ,  $p = 0.0265$ ; *IL18*:  $F = 0.08600$ ,  $p = 0.9187$ ; *TNF*:  $F$   
1479 = 3.261,  $p = 0.1100$ . Data are shown for each donor as mean  $\pm$  standard deviation of variance  
1480 stabilized counts;  $n$  [HC] = 3;  $n$  [bvFTD C9-] = 3;  $n$  [bvFTD C9+] = 3. Significance levels: \* =  $0.01 \leq$

1481  $\text{padj} < 0.05$ ,  $** = 0.001 \leq \text{padj} < 0.01$ ,  $*** = \text{padj} < 0.001$ . Data are shown from one differentiation  
1482 batch. The individual iMG lines are indicated by different symbols at the bottom. Abbrev.: bvFTD =  
1483 behavioral variant frontotemporal dementia; *CCL2* = C-C motif chemokine ligand 2; *CHIT1* =  
1484 chitinase 1; *CXCL10* = C-X-C motif chemokine ligand 10; HC = healthy control; HRE =  
1485 hexanucleotide repeat expansion; *IL* = interleukin; iMG = induced pluripotent stem cell-derived  
1486 microglia; *TNF* = tumor necrosis factor

1487 **Supplementary Video 1. Phagocytosis assay of Con\_1 line without prior serum starvation (s. online)**

1489 **Supplementary Video 2. Phagocytosis assay of Con\_1 line after 24 h serum starvation (s. online)**

1490 **Supplementary Video 3. Phagocytosis assay of Con\_2 line without prior serum starvation (s. online)**

1492 **Supplementary Video 4. Phagocytosis assay of Con\_2 line after 24 h serum starvation (s. online)**

1493 **Supplementary Video 5. Phagocytosis assay of Con\_3 line without prior serum starvation (s. online)**

1495 **Supplementary Video 6. Phagocytosis assay of Con\_3 line after 24 h serum starvation (s. online)**

1496 **Supplementary Video 7. Phagocytosis assay of Ftd\_1 line without prior serum starvation (s. online)**

1498 **Supplementary Video 8. Phagocytosis assay of Ftd\_1 line after 24 h serum starvation (s. online)**

1499 **Supplementary Video 9. Phagocytosis assay of Ftd\_2 line without prior serum starvation (s. online)**

1501 **Supplementary Video 10. Phagocytosis assay of Ftd\_2 line after 24 h serum starvation (s. online)**

1502 **Supplementary Video 11. Phagocytosis assay of Ftd\_4 line without prior serum starvation (s. online)**

1504 **Supplementary Video 12. Phagocytosis assay of Ftd\_4 line after 24 h serum starvation (s. online)**

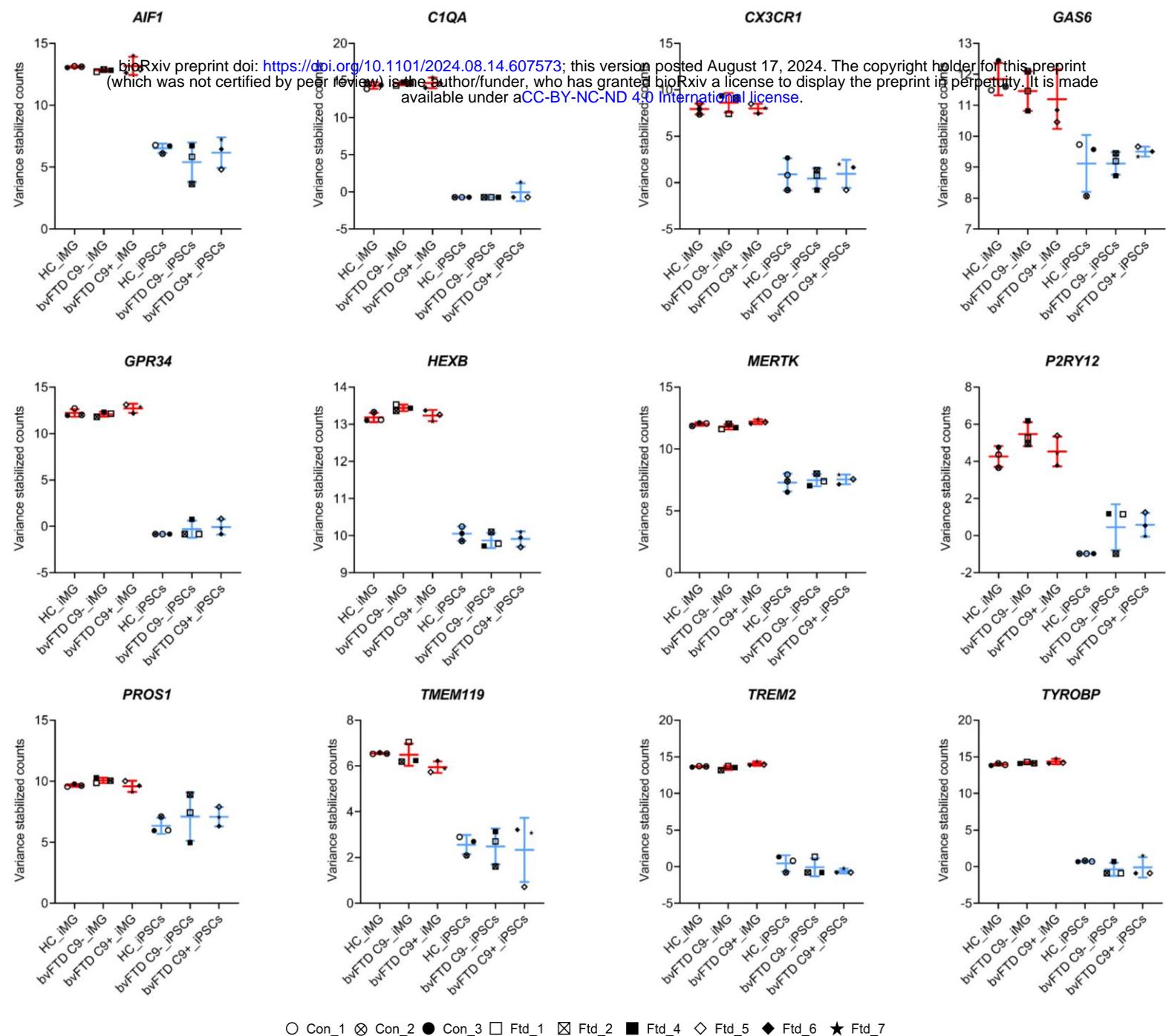
1505 **Supplementary Video 13. Phagocytosis assay of Ftd\_5 line without prior serum starvation (s.**  
1506 **online)**

1507 **Supplementary Video 14. Phagocytosis assay of Ftd\_5 line after 24 h serum starvation (s. online)**

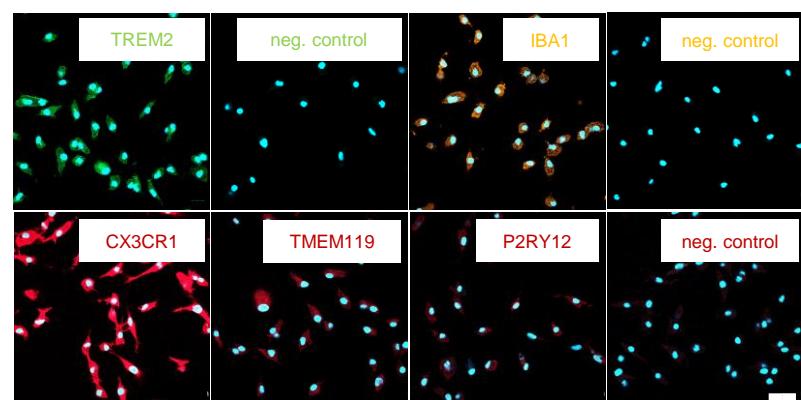
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1510 **Supplementary Video 16. Phagocytosis assay of Ftd\_6 line after 24 h serum starvation (s. online)**

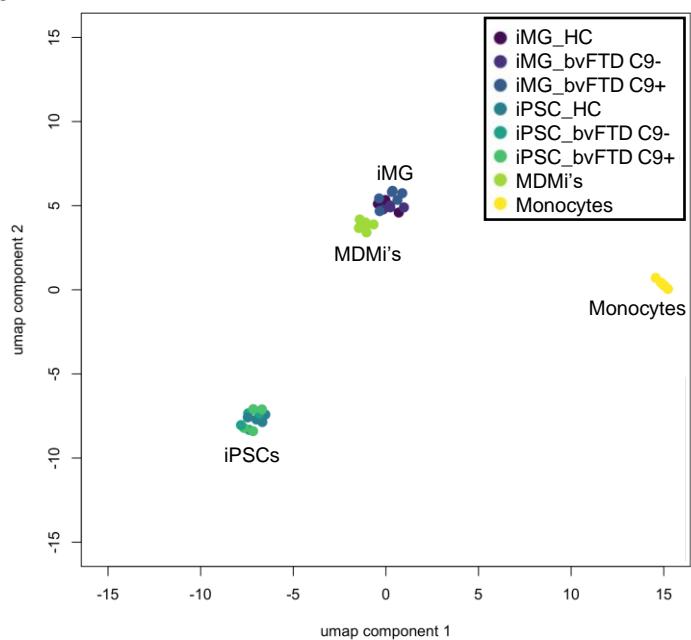
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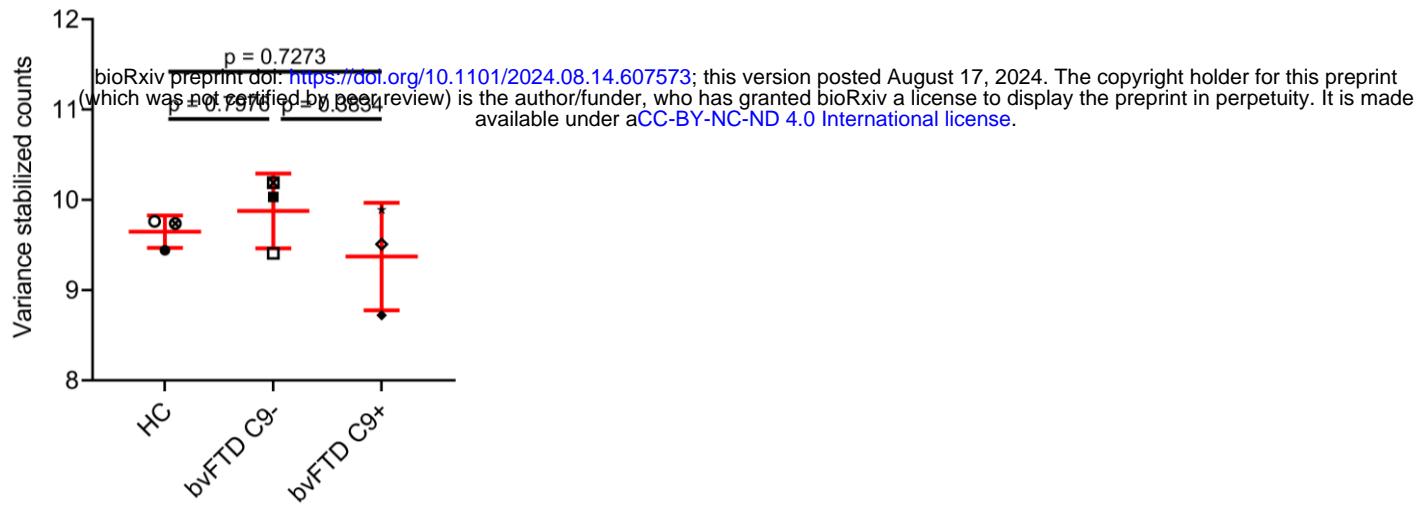
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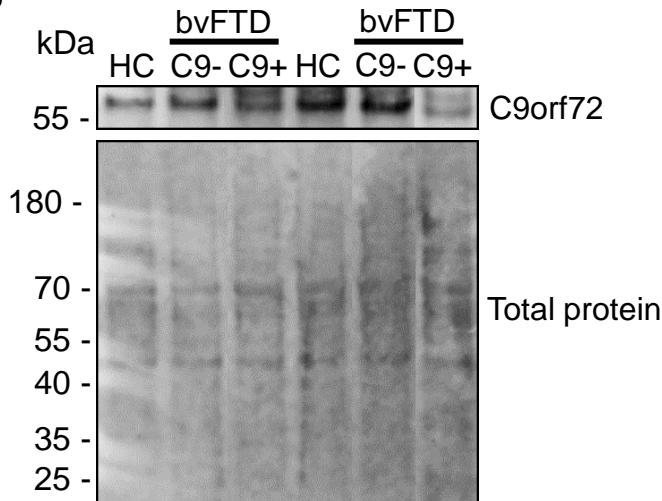
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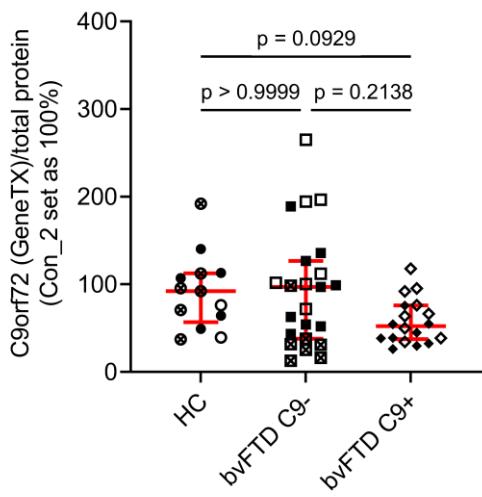
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**C9orf72**

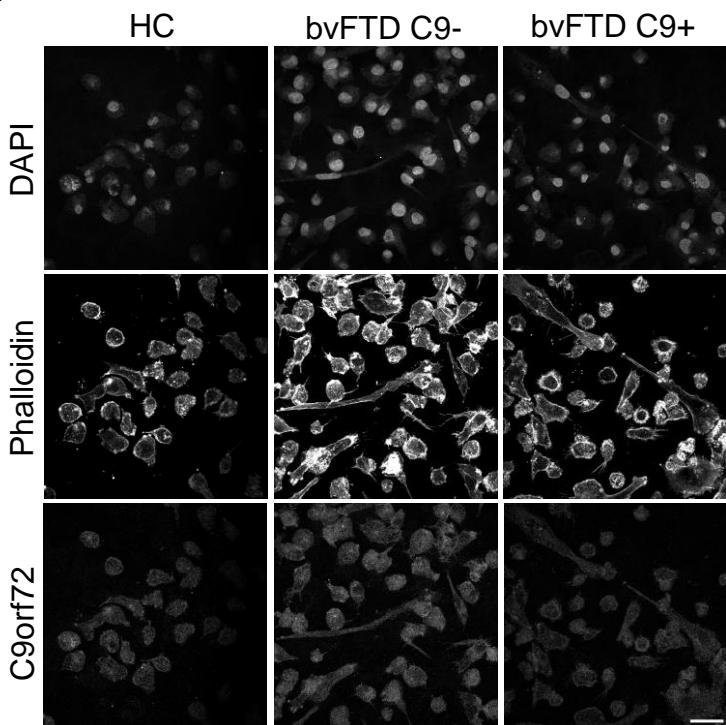
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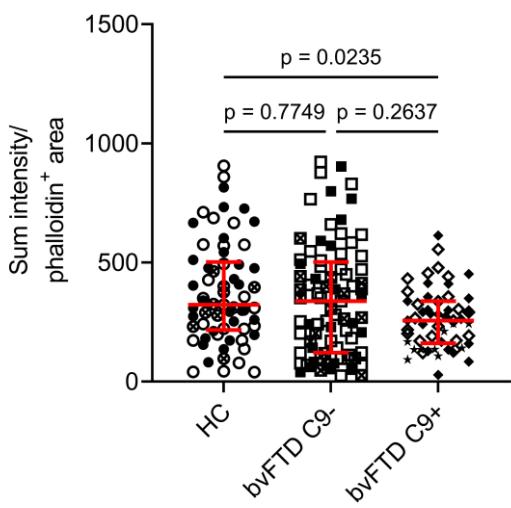
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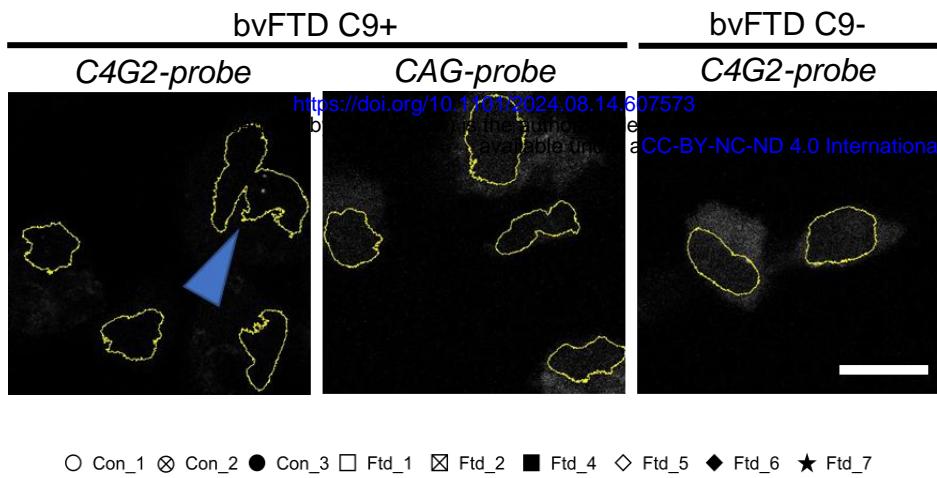


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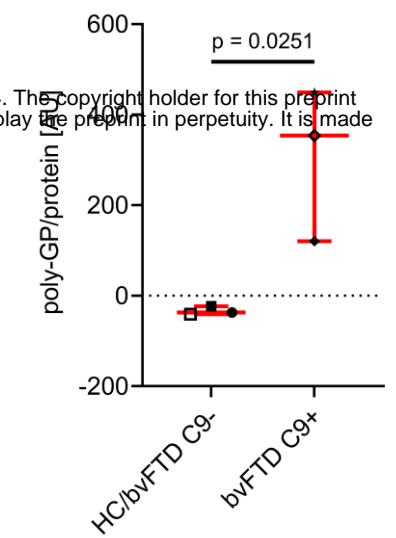


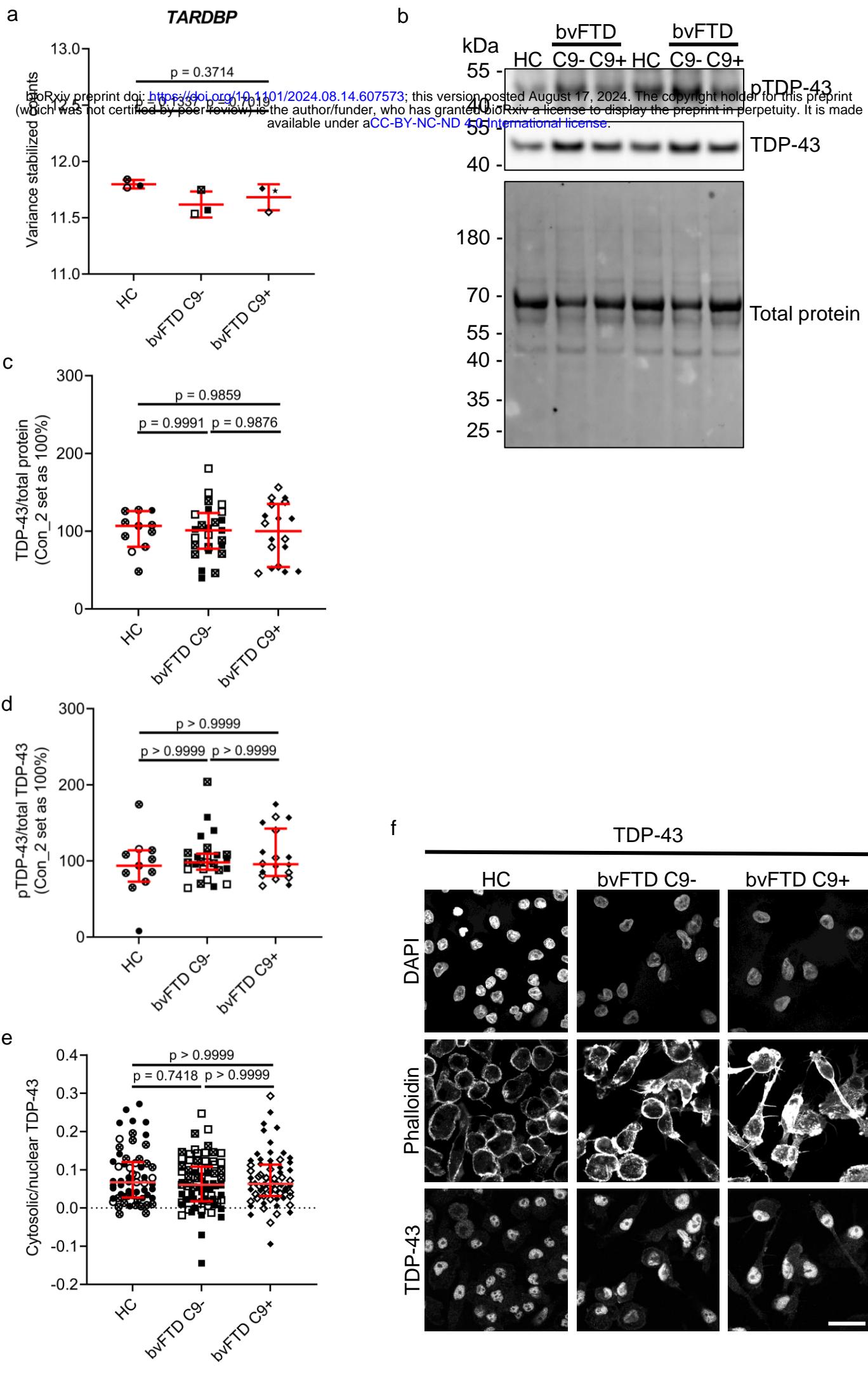
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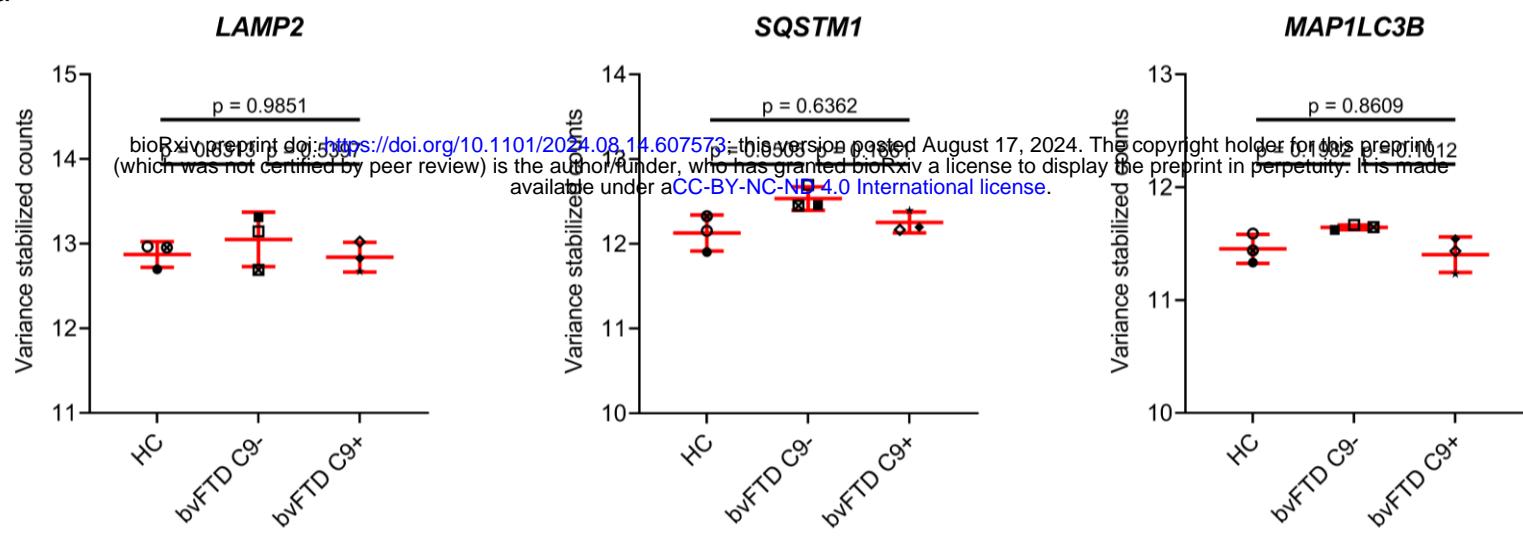


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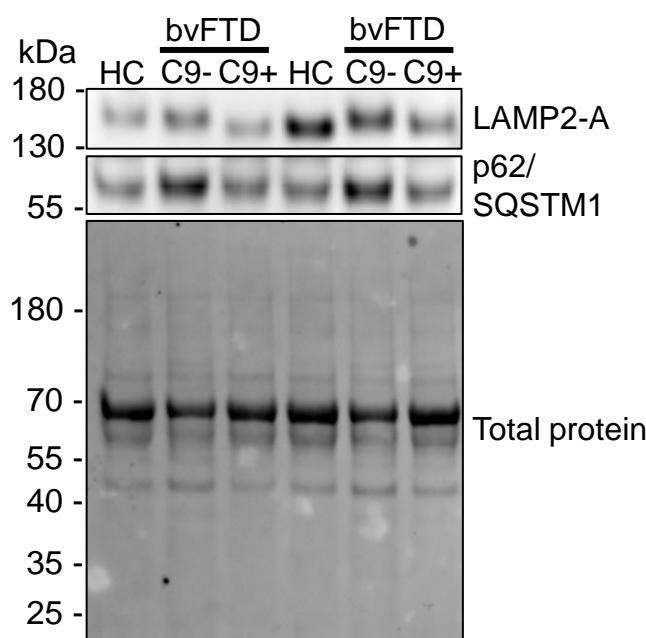




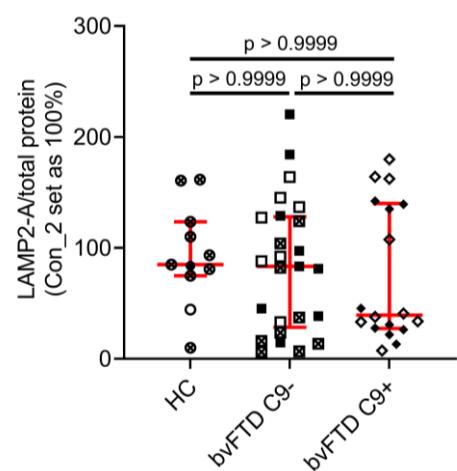
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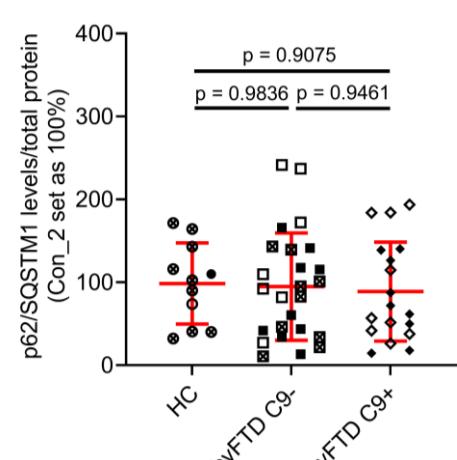
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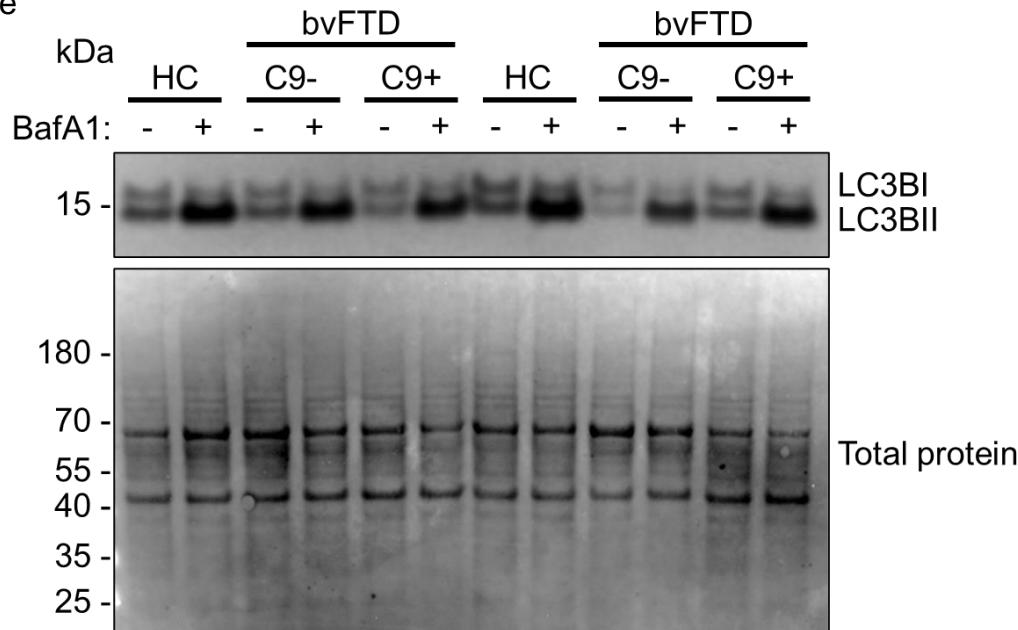
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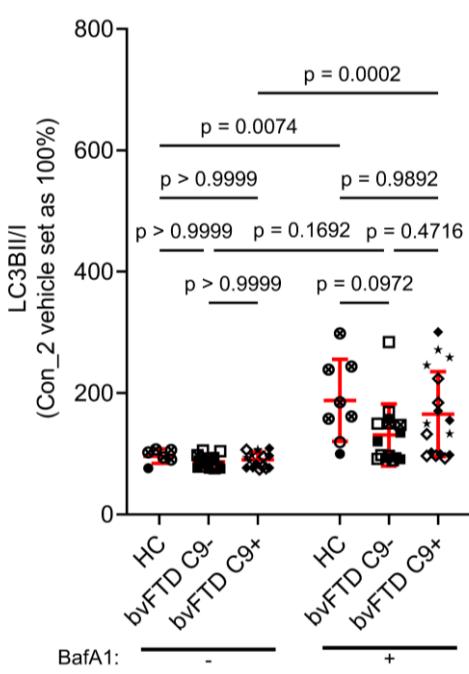
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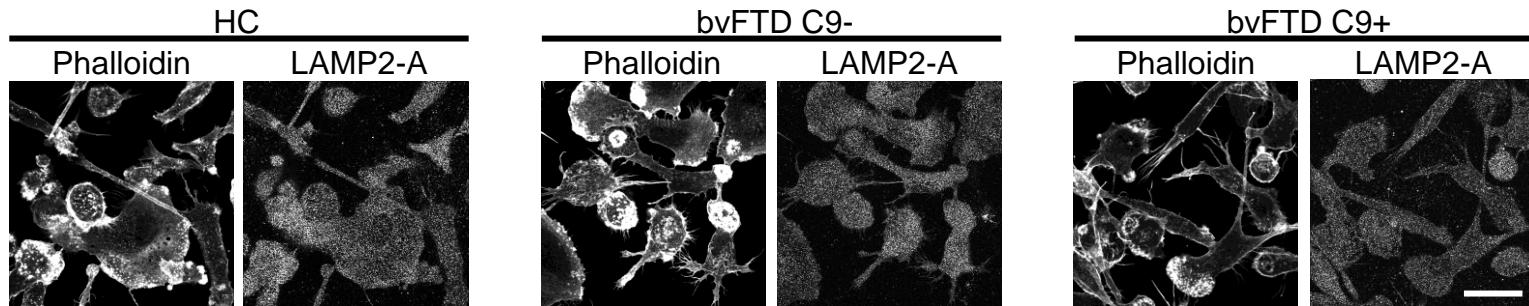


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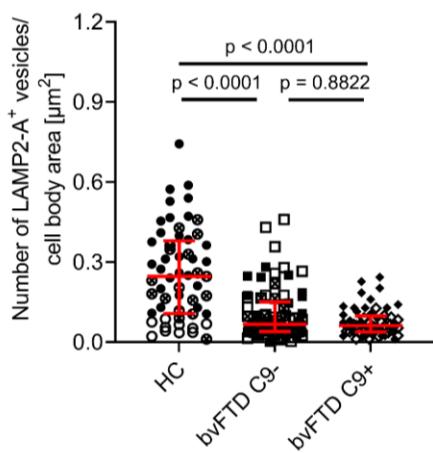


○ Con\_1 ⊗ Con\_2 ● Con\_3 □ Ftd\_1 □ Ftd\_2 ■ Ftd\_4 ■ Ftd\_5 ◇ Ftd\_6 ◆ Ftd\_7 ★ Ftd\_7

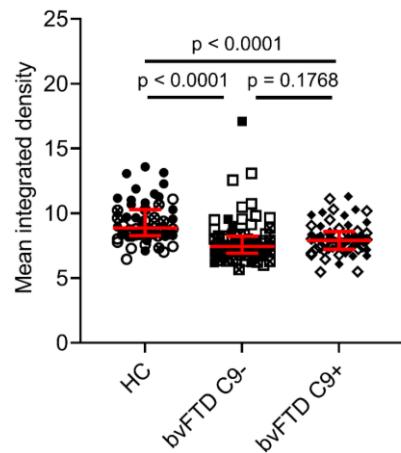
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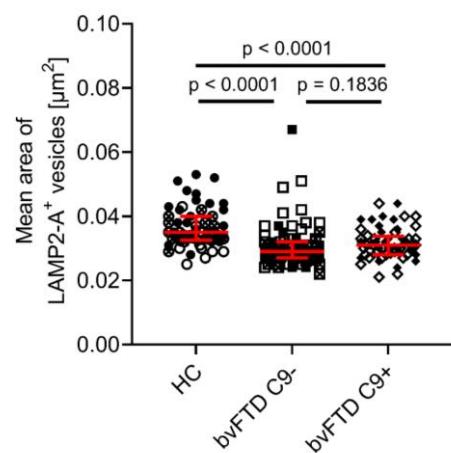
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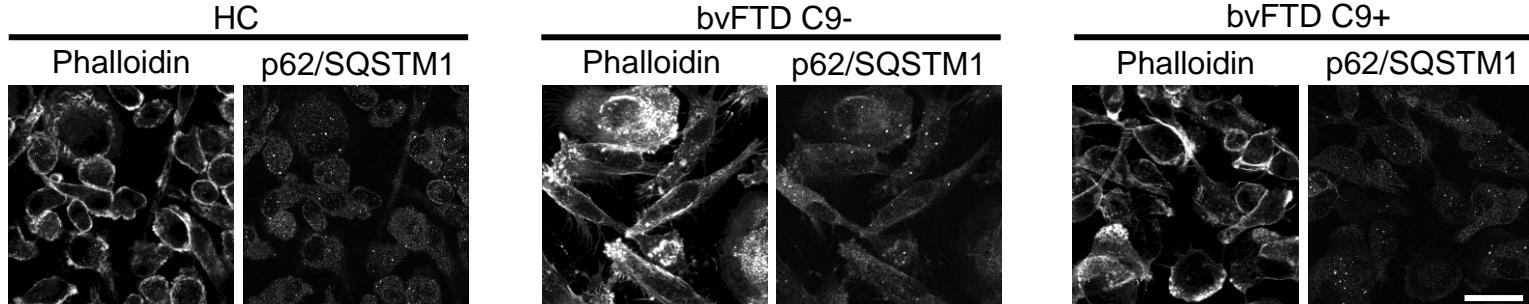
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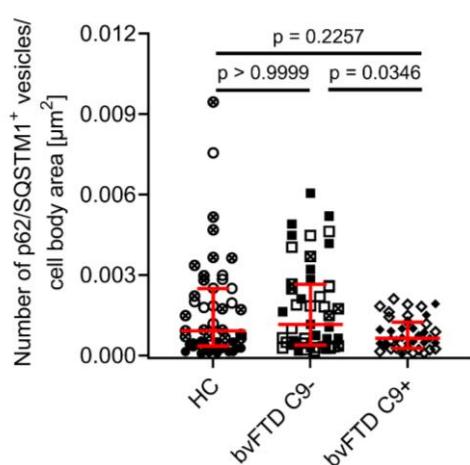
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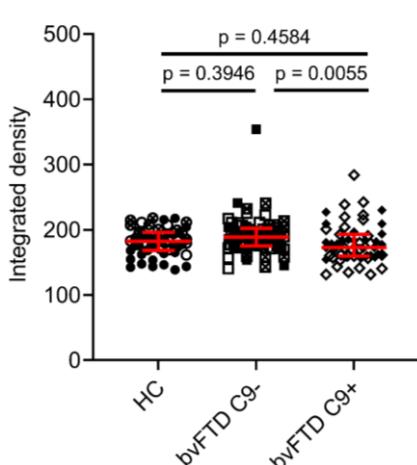
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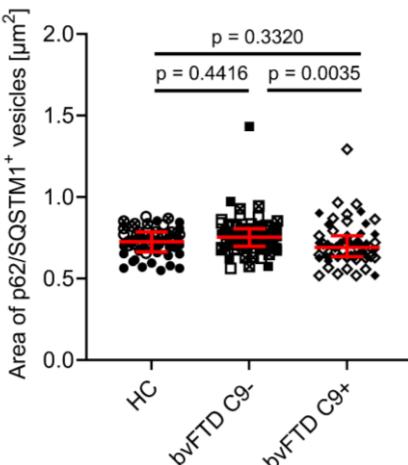
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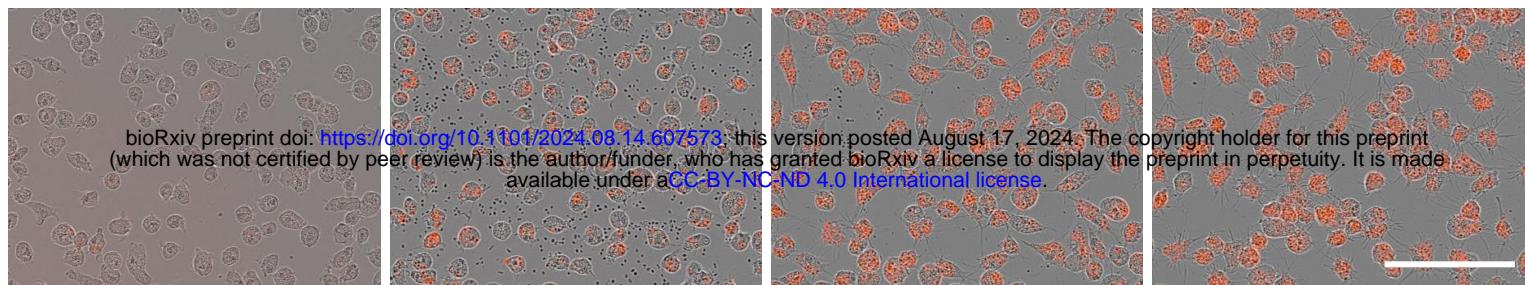
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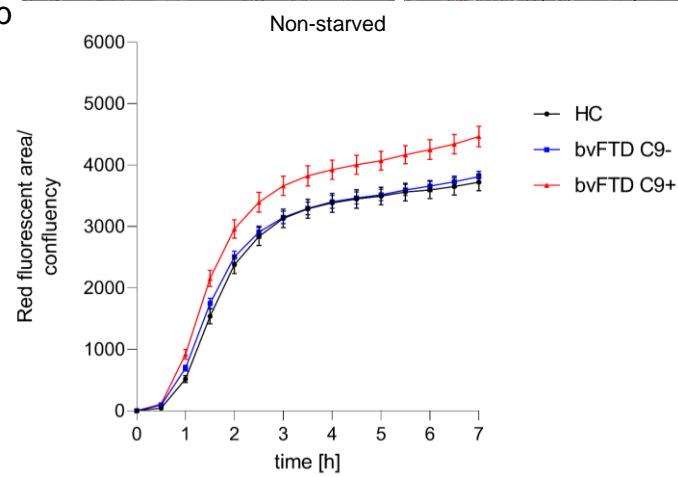
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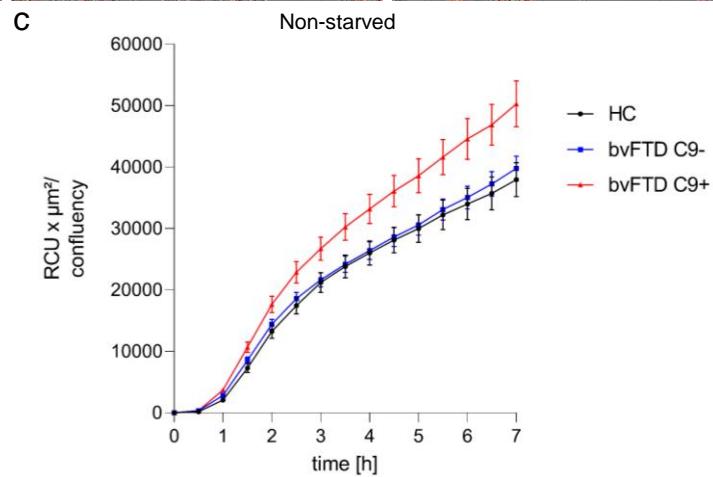
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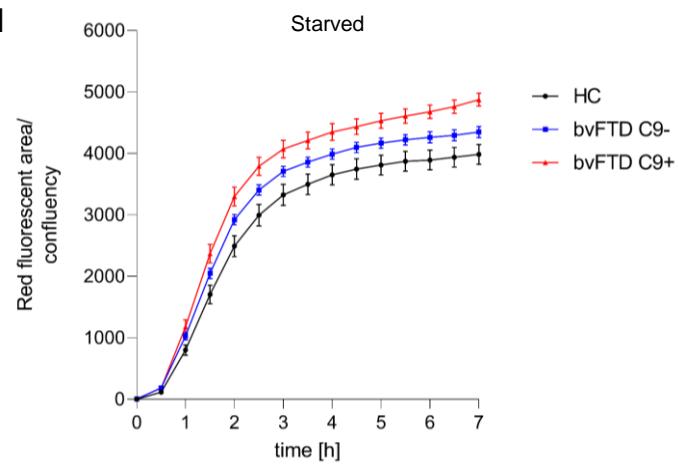
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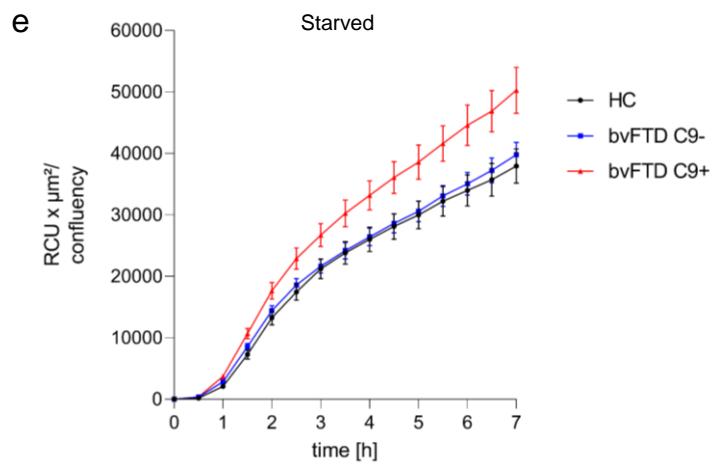
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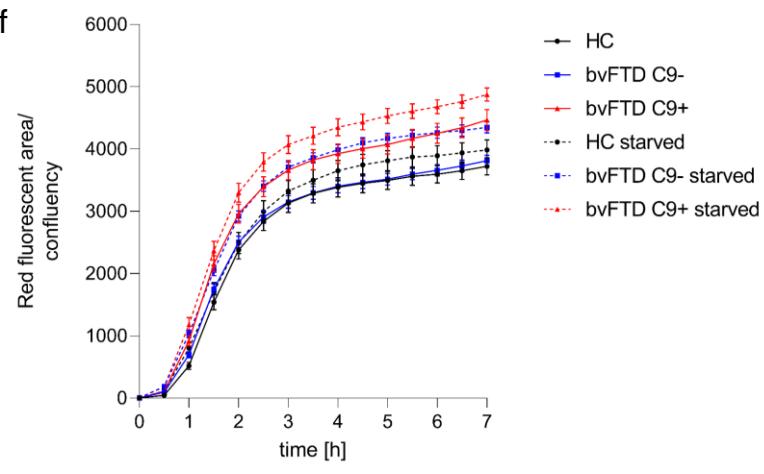
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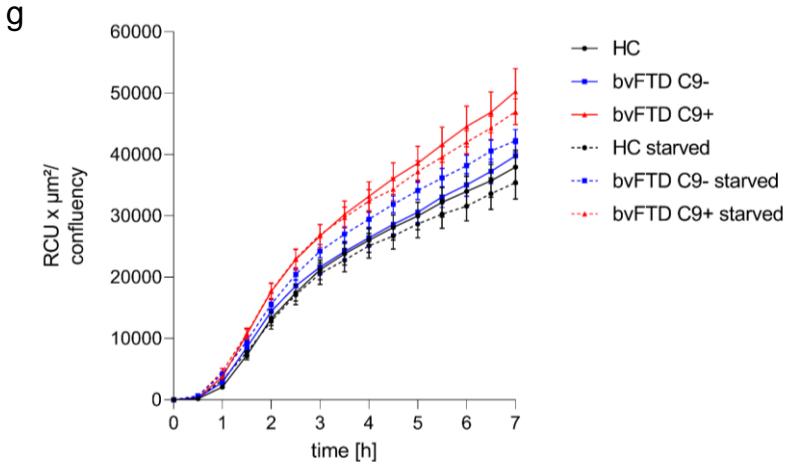
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