

1 **A human fetal lung cell atlas uncovers proximal-distal gradients of differentiation and key**
2 **regulators of epithelial fates**

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37 **Highlights**

38 ● Spatiotemporal atlas of human lung development from 5-22 post conception weeks
39 identifies 144 cell types/states.

40 ● Tracking the developmental origins of multiple cell compartments, including new
41 progenitor states.

42 ● Functional diversity of fibroblasts in distinct anatomical signalling niches.

43 ● Resource applied to interrogate and experimentally test the transcription factor code
44 controlling neuroendocrine cell heterogeneity and the origins of small cell lung cancer.

45

46 **Abstract**

47 We present a multiomic cell atlas of human lung development that combines single cell RNA and
48 ATAC sequencing, high throughput spatial transcriptomics and single cell imaging. Coupling
49 single cell methods with spatial analysis has allowed a comprehensive cellular survey of the
50 epithelial, mesenchymal, endothelial and erythrocyte/leukocyte compartments from 5-22 post
51 conception weeks. We identify new cell states in all compartments. These include developmental-
52 specific secretory progenitors and a new subtype of neuroendocrine cell related to human small
53 cell lung cancer. Our datasets are available through our web interface (<https://lungcellatlas.org>).
54 Finally, to illustrate its general utility, we use our cell atlas to generate predictions about cell-cell
55 signalling and transcription factor hierarchies which we test using organoid models.

56

57 **Introduction**

58 Single cell mapping of cell states in the adult human lung in health and disease is being performed
59 at increasing resolution (Carraro and Stripp 2022) providing a foundation for understanding lung
60 cellular physiology. The adult lung has low rates of cell turnover (Blenkinsopp 1967; Rawlins and
61 Hogan 2008) making it difficult to capture transition states and progenitor cells. Moreover, there
62 are developmental-specific cell states that do not exist in the adult. A high-resolution cell atlas of

63 the embryonic and fetal human lung will identify developmental precursors and progenitors,
64 predict differentiation trajectories and potential gene regulatory networks. This will provide a
65 baseline for studying adult homeostasis and disease.

66
67 The lung buds are specified in the human foregut endoderm at ~5 post conception weeks (pcw)
68 (Burri 1984; Nikolić, Sun, and Rawlins 2018). Subsequent morphogenesis is driven by branching
69 of the distal-most bud tips. The bud tip epithelium comprises SOX9⁺, ID2⁺ multipotent progenitors
70 which self-renew during branching (Rawlins, Clark, et al. 2009; Alanis et al. 2014; Nikolić et al.
71 2017; Miller et al. 2018). As the bud tip epithelium branches into the surrounding mesoderm, the
72 epithelial cells that remain in the stalk region start to differentiate into bronchiolar (airway)
73 epithelium (~5-16 pcw) and then (from ~16 pcw) into alveolar epithelium (Nikolić, Sun, and
74 Rawlins 2018). The pattern of growth from undifferentiated multipotent epithelial progenitors at
75 the distal tips means that the position of a cell along the proximal-distal axis of the lung epithelial
76 tree is a strong predictor of its maturity. The more mature cells, which exited the tip first, are found
77 more proximally, whereas the most immature cell states, which exited the tip recently, are found
78 in the tip-adjacent (stalk) regions (Rawlins et al. 2007). In other words, space reflects time in lung
79 development. Therefore, coupling single cell state identification to *in vivo* spatial visualisation can
80 provide high confidence in the identification of novel progenitor cells in the developing lung.
81 Moreover, detailed spatial analysis of cell states allows cell identity designations to be compared
82 to more traditional histological definitions.

83
84 We have generated a high-resolution single cell atlas of human lung development using a
85 combination of scRNA-seq, scATAC-seq, Visium Spatial Transcriptomics, and mRNA *in situ*
86 hybridisation using hybridisation chain reaction (HCR) (Trivedi et al. 2018). Combining these data
87 sources has allowed us to identify 144 cell states/types in 5-22 pcw lung samples. These include
88 novel progenitor cell states, transition populations and a new subtype of neuroendocrine cell which
89 is related to a subtype of human small cell lung cancer. We observe increasing cell maturation over
90 time with many cell states identified in the adult human lungs already present at 22 pcw. Moreover,
91 we have used our atlas to make predictions about progenitor cell states, signalling interactions and
92 lineage-defining transcription factors, and we demonstrate how these can be efficiently tested

93 using a genetically-tractable human fetal lung organoid model. These data sets are available for
94 interactive analysis at <https://lungcellatlas.org>.

95

96 **Results**

97 **A single cell atlas of human lung development comprising 144 cell states**

98 We obtained human embryonic and fetal lungs from 5-22 pcw for scRNA-seq and scATAC-seq.
99 To focus on differentiation we deeply sampled 15, 18, 20 and 22 pcw lungs and separated proximal
100 and distal regions, while leaving lungs at 5, 6, 9 and 11 pcw intact. We used a mixture of cell
101 dissociation methods to obtain a balanced mixture of cell types (Fig. 1A) and produced high-
102 quality transcriptome (Fig. S1A; average >2400 genes/cell) and DNA accessibility (Fig. S1O,P;
103 average >18,000 fragments/nucleus) data. The RNA profiles of cells from different dissociation
104 protocols and compartments were iteratively parsed out by clustering (Fig. S1C) and subclustering
105 (Fig. S1D) without batch correction to maintain biological features. To enrich biological features
106 and mitigate technical ones, we removed doublet-driven clusters (Fig. S1E,G,H,K), stressed or
107 low-quality clusters (except those expressing known markers, such as erythroid) (Fig. S1I,J,N),
108 clusters composed of cells from only one sample when replicates are available, and clusters of
109 cells from other organs due to contamination during dissection (Fig. S1L) (He et al. 2020; Cao et
110 al. 2020). We identified maternal cells, which are a minimal fraction in our atlas (Fig. S1M), based
111 on genetic background (Fig. S1F). The result of this clustering is shown as a Uniform Manifold
112 Approximation and Projection (UMAP) (Fig. 1A), on which we manually annotated fibroblast,
113 epithelial, endothelial and erythrocyte/leukocyte lineages (Fig. 1B). Plotting the cell type
114 distribution against time (excluding trypsin/CD326-treated samples, shown in Fig. S1B), showed
115 that fibroblasts were the most prominent cell, particularly in younger lungs (Fig. 1C). Leukocytes
116 and erythrocytes were observed in all lungs sampled, with B, T and NK cells becoming prominent
117 from 15 pcw (Fig. 1C).

118

119 Further cell type annotation was performed via sub-clustering (see methods) and cluster naming
120 was based on observed and published marker genes (Supplemental Table 1), resulting in
121 assignment of 144 cell types/states (Fig. S2A). Sample age was a strong determinant of clustering
122 ($\chi^2=163727$, $p \approx 0$), reflecting progressive cell type maturity over time (Fig. S2B). Clusters mostly
123 grouped into three distinct regions which we categorised as early (5, 6 pcw), mid (9, 11 pcw) and

124 late (15-22 pcw) stages. Cell cycle phase (Fig. S2C, $\chi^2=25361$, $p \approx 0$) and dissected region (Fig.
125 S2D, $\chi^2=968$, $p = 8.9E-131$) were also associated with clustering. However, region was only
126 prominent for a small number of proximally-located cell types (Fig. S2H), suggesting that most
127 proximal to distal regions of the airway branch structure were still represented in both dissected
128 regions of the lung. Epithelial cells were mostly derived from the trypsin-treated and CD326-
129 enriched samples, although airway smooth muscle, myofibroblasts and alveolar fibroblasts were
130 also enriched here (Fig. S2E). Peripheral Nervous System (PNS) cells and chondrocytes were only
131 obtained from 5-6 pcw lungs, likely correlating with lower extracellular matrix (ECM) complexity
132 and/or increased fragility of older neurons. PNS cells were clustered and assigned to cell types,
133 but their scarcity precluded further analysis (Fig. S2A,F,G). Data integration and logistic
134 regression-based comparison showed that gene expression of our annotated cells corresponds well
135 to those from adult lungs (Madisson et al. 2021) (Fig. S3A-C).

136

137 **A differentiation trajectory of airway progenitor states lies along the distal to proximal axis** 138 **of the developing lungs**

139 The epithelial cells separate by age (Fig. 2A,B), with many basal cells, MUC16⁺ ciliated cells and
140 secretory cells enriched in the proximally-dissected tissue (Fig. 2B; S2H). The most immature
141 epithelial progenitors are tip cells: SOX9⁺ multipotent progenitors located at the distal branching
142 tips of the respiratory tree (Nikolić et al. 2017). Tip cells were separated by developmental age
143 into early (5,6 pcw), mid (9,11 pcw) and late (15-22 pcw) populations (Fig. 2A,B) with some
144 shared and some stage specific markers (Fig. 2C). On the epithelial UMAP, each tip population
145 clusters closely with adjacent stalk cells (*SOX9*^{LO/-}, *PDPN*^{LO}, *HOPX*^{LO}) and airway progenitors
146 (*CYTL1*^{LO/+}, *PCP4*⁺, *SCGB3A*^{+/LO}) (Fig. 2A). The tip, stalk and airway progenitors can be
147 visualised in a distal-proximal sequence in the tissue at all stages tested (10-16 pcw) (Fig. 2E;
148 S4A,B, Supplemental video 1), consistent with the most proximal cells being the most mature.
149 These three cell types form a predicted differentiation trajectory from mid-tip to mid-stalk to mid-
150 airway progenitor which branches into the neuroendocrine, or secretory, lineages (Fig. 2D).

151

152 **Two subtypes of neuroendocrine cells are present in the developing airways**

153 Consistent with previous data (Cutz, Gillan, and Bryan 1985), the earliest differentiated epithelial
154 cells detected were neuroendocrine (NE) cells in 5 pcw lungs (Fig. 2A-C). We identified two types
155 of NE cells: classical pulmonary NE cells (GRP^+) and $GHRL^+$ NE cells (TTR^+ , $GHRL^+$) in
156 agreement with a recent human fetal cell atlas (Cao et al. 2020). We observed increasing maturity
157 of NE cells over time (specific populations denoted as precursors on the UMAP). In addition, an
158 intermediate NE population, a putative transition state, connected the two NE cell types (Fig. 2A).
159 At 11 pcw, GRP^+ NE cells were always observed closer to the budding tips, suggesting that they
160 begin to differentiate prior to the $GHRL^+$ NE cells (Fig. 2F). This spatial difference was not
161 apparent in the oldest samples where both GRP^+ and $GHRL^+$ cells were observed at all airway
162 levels, although less abundant distally (Fig. S4C). Mouse $GHRL^+$ NE cells were not detected in
163 re-analysis of published mouse data (Negretti, Plosa, Benjamin, Schuler, Christian Habermann, et
164 al. 2021; Zepp et al. 2021), or spatially (Borromeo et al. 2016). However, *Ghrl* is expressed in
165 mouse ciliated cells which cluster with human fetal $GHRL^+$ NE cells following scVI integration
166 (Lopez et al. 2018) and clustering analysis (Fig. S3D-F) (Zepp et al. 2021).

167

168 **Multiple secretory cell subtypes in the proximal cartilaginous airways**

169 We annotated 5 sub-types of differentiating secretory cells and one more immature proximal
170 secretory progenitor. (i) The proximal secretory progenitors ($SCGB3A2^+$, $SCGB1A1^-$, $SCGB3A1^-$
171 LO , $CYTL1^+$) were detected in the single cell atlas at 9 pcw, prominent at 11 pcw, but rarer in older
172 lungs consistent with a progenitor state (Fig. 2A-C,G). (ii) Club cells ($SCGB3A2^+$, $SCGB1A1^+$,
173 $SCGB3A1^-$, $SPDEF^+$, $MUC16^-$) were detected from 15 pcw in the single cell data (Fig 2A-C,G), or
174 12 pcw in the tissue localised in clusters more distally, but largely dispersed in the more proximal
175 non-cartilaginous regions (Fig. S4D). (iii) Submucosal gland (SMG) secretory cells (LTF^+ ,
176 $SCGB3A1^+$, $SPDEF^+$) were detected from 15 pcw in the single cell data, located in SMG ducts
177 and likely to be a precursor of serous and/or mucous-secreting SMG cells (Fig. 2A-C,G; S4G).
178 (iv) Proximal secretory 1 ($SCGB1A1^{LO}$, $SCGB3A2^+$, $SCGB3A1^+$) and (v) proximal secretory 2
179 ($SCGB1A1^+$, $SCGB3A2^+$, $SCGB3A1^+$) appeared from 11 pcw (Fig. 2A-C,G-H; S4E). Both were
180 $SPDEF^+$, $MUC5B^+$, $SERPINA1^+$ (Fig. 2I), suggesting they differentiate into goblet or mucous
181 cells. By contrast, (vi) proximal secretory 3 ($SCGB1A1^+$, $SCGB3A2^{LO/-}$, $SCGB3A1^+$) was detected
182 from 15 pcw and was $SPDEF^-$ (Fig. 2A-C), but $CYP2F1^+$, $MUC4^+$ and $KRT4^+$ (Fig. 2G,J). All
183 three luminal proximal secretory cell populations were located in the proximal cartilaginous

184 airways and were *MUC16*⁺ (Fig. 2C,G,H; S4E,F). Detailed spatial-temporal analysis of 10-21 pcw
185 airways revealed that the proportion of proximal secretory progenitors decreased with
186 developmental age, whilst proximal secretory cells 1 and 2 increased (Fig. S5A-C); consistent with
187 a progenitor function for proximal secretory progenitors.

188

189 **Other airway cells**

190 We detected ciliated cells (*FOXJ1*⁺, *ALOX15*⁺) from 11 pcw, interspersed with secretory/club cells
191 throughout the airways (Fig. 2A-C; S4H; S5A,B). Rarer deuterosomal cells (*FOXJ1*⁺, *CDC20B*⁺)
192 appeared at the same time (Fig. 2A-C). *MUC16*⁺ ciliated cells (*FOXJ1*⁺, *DNAH*⁺, *MUC16*^{L⁰}) were
193 also detected from 11 pcw, but confined to proximal dissected regions (Fig. 2A-C; S2H). They
194 were located in patches in the most proximal cartilaginous airways (Fig. S4I), and likely represent
195 *MUC16*⁺ secretory cells generating ciliated cells, as suggested in the adult (Deprez et al. 2020;
196 Carraro et al. 2021; Vieira Braga et al. 2019). Basal cells (*TP63*⁺, *F3*⁺) were present from 9 pcw
197 (Fig. 2A-C; S4J) and more frequent in proximal regions (Fig. 2C; S2H; S5A,B). Rarer cells
198 (ionocytes, tuft) that have been consistently identified in adult airways were not present in our
199 single cell data. However, we found putative ionocytes (*FOXJ1*⁺; 4/4 lungs) and putative tuft cells
200 (*POU2F3*⁺; 2/4 lungs) in the most proximal cartilaginous airways of 21-22 pcw lung sections (Fig.
201 S5E), suggesting they begin to differentiate mid-gestation. Moreover, we reproducibly detected a
202 small population of *MUC5AC*⁺, *ASCL1*⁺ cells in 9,11 pcw lungs (Fig. 2A-C). These were localised
203 to the proximal non-cartilaginous airways where they appeared as solitary, somewhat basal, non-
204 columnar cells (Fig. S4K). We hypothesise that they are an unknown progenitor, consistent with
205 their transient appearance and the observation that *Ascl1*⁺ NE cells in adult mice can generate club,
206 ciliated and mucous cells following injury (Yao et al. 2018; Ouadah et al. 2019).

207

208 **Predicted airway epithelial differentiation trajectories**

209 A detailed spatio-temporal analysis of the major airway epithelial cell types from 10-21 pcw
210 confirms that cell maturation begins in the more proximal regions. An example is lack of ciliated
211 and club cells in the distal non-cartilaginous airways at 10-12 pcw, but presence at 15-21 pcw (Fig.
212 S5A-D). Conversely, airway progenitors are found throughout the non-cartilaginous airways at
213 10-12 pcw, but restricted to the terminal airways by 15-21 pcw (Fig. S5A-D). In addition, proximal

214 secretory cells are spatially restricted to the cartilaginous airways, whilst club cells are found in
215 the non-cartilaginous regions (Fig. S5A-D).

216

217 This spatial separation means that predicted differentiation trajectories which combine proximal
218 secretory cells and club cells (Fig. 2D) can reveal general trends, but are likely to be over-
219 simplified. We therefore predicted mid- (Fig. S6A-C) and late-stage (Fig. S6D-F) airway lineage
220 trajectories separately. In both cases, basal cells formed discrete clusters on the UMAPs (Fig.
221 S6A',D'). Trajectory inference analysis suggests a differentiation route from mid-tip to stalk to
222 airway progenitors to proximal secretory progenitors and proximal secretory cells (Fig. S6B),
223 consistent with sample age (Fig. S6B'). Visualising gene expression along the inferred trajectory
224 shows mid-tip and stalk cells are similar (Fig. S6C). The stalk cells lose some tip markers,
225 including *FOXP2* and *SOX9*, and gain a relatively small number of genes including *PDPN* and
226 *AGER*. By contrast, the newly-defined airway progenitors upregulate marker genes associated with
227 airway fates, including *CYTL1*, *CLDN4* and *SCGB3A2* (Kaarteenaho et al. 2010; Guha et al. 2012)
228 (Fig. S6C). A similar differentiation trajectory was predicted from late-tip to late-stalk to late-
229 airway progenitor to club cells (Fig. S6E), although the oldest tip and stalk cells included in this
230 analysis may produce alveolar lineages (Fig. S6E'; 3C-E; S7A,B). Visualising gene expression
231 along the inferred late-airway trajectory shows that the late-tip and stalk cells are transcriptionally
232 similar and undergo gene expression changes analogous to mid-tip and stalk (loss of *SOX9*,
233 *FOXP2*; gain of *PDPN*, *AQP5*; Fig. S6F).

234

235 These analyses predict that cells first exit the tip into a tip-adjacent stalk-state, followed by gain
236 of airway progenitor identity before commitment to a specific differentiation state that likely
237 depends on local signalling cues. Although we cannot predict the origin of the basal cells using
238 trajectory inference methods, we hypothesise that they are derived from a columnar progenitor
239 (possibly the airway progenitor), but will themselves act as progenitor/stem cells following
240 differentiation analogous to previous observations in mice (Yang et al. 2018).

241

242 Our trajectory inference (Fig. S6A-F) predicts that airway progenitors will differentiate readily to
243 airway cell types. At 9-10 pcw, *CYTL1*⁺, *SCGB3A2*⁺ airway progenitors are found throughout the
244 airway tree (Fig. 2E; S4B,D,L; S5A,B,D). We devised a strategy to isolate airway progenitors

245 using a combination of distal non-cartilaginous airway micro-dissection and transduction with a
246 lentiviral *SCGB3A2* transcriptional reporter (*SCGB3A2-GFP*, Fig. S6G). Freshly-isolated distal
247 *SCGB3A2-GFP*⁺ cells were *SOX9*^{LO}, *CYTL1*^{HI}, *SCGB1A1*^{LO}, *SCGB3A2*^{LO}, and *SCGB3A1*^{LO}
248 compared to tip/stalk cells and more proximal *SCGB3A2-GFP*⁺ cells from the same lungs (Fig.
249 S6H), confirming airway progenitor identity. When single cells were placed into an FGF-
250 containing differentiation medium (Hawkins et al. 2021), distal *SCGB3A2-GFP*⁺ cells produced
251 basal, ciliated and mature secretory cells (Fig. S6I-K). This demonstrates that, consistent with the
252 trajectory analysis, the airway progenitors are competent to differentiate into airway lineages.

253

254 In summary, we have identified multiple epithelial progenitor states (tip; stalk; airway progenitor;
255 proximal secretory progenitor) and differentiating airway cells which localise to a spatial
256 differentiation gradient along the proximal-distal axis of the epithelium (summarised in Fig. S4L;
257 S5D). Moreover, we identify *GHRL*⁺ neuroendocrine cells which do not exist in the mouse.

258

259 **Late epithelial tip cells acquire alveolar identity prior to alveolar epithelial differentiation**

260 The tip cells expressed a core set of tip-specific markers (*SOX9*⁺, *ETV5*⁺, *TESC*⁺, *TPPP3*⁺, *STC1*⁺)
261 at all stages sampled (Fig. 2A-C). We observed a gradual decrease in tip marker expression and
262 an increase in alveolar type 2 (AT2) cell gene expression in tip cells with developmental age (Fig.
263 2C). Indeed, by 15 pcw the AT2 markers *SFTPC* and *SFTPA* were detected readily in the late-tip
264 cells where they were co-expressed with lower levels of core tip markers (Fig. 3A,B). This late-
265 tip is a unique tip cell transcriptional state which has not been detected in developing mouse lungs
266 (Negretti, Plosa, Benjamin, Schuler, Habermann, et al. 2021; Zepp et al. 2021). The change in tip
267 gene expression correlates with predicted differentiation trajectories from early to mid to late-tip
268 cells to (late-stalk to) fetal AT2 and AT1 cell fates (Fig. 3C,D; without late-stalk in S7A).
269 However, trajectory inference analysis at this transitional developmental stage is challenging. It is
270 likely that some of the late-tip cells are producing the terminal branches of the conducting airways
271 (Fig. S6D-F). Moreover, the inferred connections between mid-tip and late-tip cells are weak (Fig.
272 3C) and we cannot exclude a novel origin for late-tip cells perhaps emerging as new buds from a
273 stalk position, although this hypothesis is not strongly supported by our analysis (Fig. 2D).
274 Nevertheless throughout this period, similar to earlier stages, the late-tip cells remain *SOX9*⁺ and
275 the late-stalk cells turn off tip markers and acquire *PDPN/AGER* (Fig. S4A; S7D).

276

277 A small number of AT2 cells appear in the single cell data from 15 pcw, but are more prominent
278 from 22 pcw (Fig. 2A). Similarly, at 16 pcw late tip cells ($SOX9^+$, $TPPP3^+$, $SFTPC^+$) were clearly
279 visualised in the tissue, but differentiating AT2 cells ($SOX9^{LO/-}$, $TPPP3^{LO/-}$, $SFTPC^+$) were rare
280 suggesting AT2 production is just beginning (Fig. 3F,G; S7C). Over the following weeks, the size
281 of the tip regions decreased and more differentiating AT2 cells ($SOX9^{LO/-}$, $TPPP3^{LO/-}$, $SFTPC^+$)
282 were detected (Fig. 3F,G). At 21 pcw smaller numbers of late tip cells persist and AT2 cells ($SOX9^-$
283 , $SFTPC^+$, $NASPA^+$, $ETV5^+$) were found scattered throughout the developing air sacs (Fig. 3H,
284 S7E-J). Consistent with the predicted change in tip fate potential (Fig. 3C-E), late-tip cells (16-20
285 pcw) grown as organoids retained a late-tip phenotype *in vitro* and were much more readily
286 differentiated to mature AT2s than organoids derived from earlier developmental stages (Lim et
287 al. 2021).

288

289 In our single cell atlas, differentiating AT1 cells were first visible at 18 pcw, but more prominent
290 by 22 pcw (Fig. 2A-C). Similarly in tissue sections, AT1 cells were not detected at 17 pcw (Fig.
291 S7H). However, by 20 pcw differentiating AT1 cells ($SPOCK2^{LO}$, $SFTPC^-$) were visible and at 21
292 pcw AT1 cells ($SPOCK2^+$, $SFTPC^-$) were interspersed with AT2 cells lining the developing air
293 sacs (Fig. 3I; S7I,J). In sections, AT1 markers were only detected in cells which had undetectable,
294 or extremely low levels of, $SFTPC$ (Fig. S7H-J). Moreover, $SFTPC$ -negative cells were always
295 observed in the stalk regions from 16 pcw onwards (Fig. 3F). These spatial expression data are
296 consistent with an alveolar epithelial differentiation model in which from ~16 pcw the late-tip
297 progenitors first exit the tip state, turning off co-expressed AT2 cell markers, and enter the late-
298 stalk cell state, prior to initiating AT1 or AT2 cell differentiation in response to local signalling
299 cues (Fig. 3J). Furthermore, the late-stalk cells are connected to AT2, AT1 and late airway
300 progenitors in trajectory inference analysis (Fig. 2D; 3C,D), supporting our hypothesis that at all
301 stages of lung development, cells exit the tip and enter a stalk-state prior to differentiation. This
302 model for spatial patterning of human alveolar development is different from the current prevailing
303 mouse model in which AT2 and AT1 cells are thought to be specified early in development (Zepp
304 et al. 2021; Frank et al. 2019).

305

306 Integration of our fetal atlas with adult data revealed high correlation between expected groups:
307 fetal airway progenitors with adult secretory club cells; fetal and adult ciliated and deuterosomal
308 cells; proximal secretory fetal cells with adult goblet cells (Fig. S3A). The AT2 and AT1 cells we
309 detect in the fetal lungs cluster closely with the adult (Fig. S3A; Pearson correlation coefficients:
310 fetal-adult AT2 0.66; AT1 0.80). However, the fetal cells are immature and differ in gene
311 expression to their adult counterparts (for example, for AT2/1, Fig. S3G).

312

313 **Lung endothelial cells exhibit early specialisation into arterial and venous identities**

314 At 5-6 pcw, the endothelial cells (ECs) comprised capillary (early Cap: *THY1*⁺, *CD24*⁺), *GRIA2*⁺
315 arterial (*GRIA2*⁺, *GJA5*⁺) and lymphatic ECs (*PROX1*⁺, *STAB1*⁺, *UCP2*^{LO}) (Fig. S8A-C); showing
316 that capillaries and lymphatic vessels are distinct from the earliest stages of lung development and
317 that arterial specification begins prior to venous. With increasing age, the capillary EC lineage
318 moves from early (*THY1*⁺, *CD24*⁺, *EGLN1*⁺) to mid (*CA4*⁺, *KIT*⁺, *EGLN1*⁺) to late (*CA4*⁺, *KIT*⁺)
319 sub-types (Fig. S8A-C), similar to the age transitions in other compartments. Trajectory analysis
320 predicts that both mid- and late-Cap cells generate arterial and venous ECs (Fig. S8G,H).
321 Aerocytes (*CA4*^{LO}, *SI00A3*⁺), capillary ECs specialised for gas exchange and leukocyte trafficking
322 (Gillich et al. 2020; Vila Ellis et al. 2020), were observed at 20-22 pcw (Fig. S8A-C) arranged
323 around the developing air sacs (Fig. S8D). Microvasculature specification therefore occurs
324 relatively late in human fetal life coincident with the development of AT1 cells.

325

326 Broad markers of arterial and venous specification were clear in sections at 20 pcw (Fig. S8E).
327 Three distinct arterial ECs were detected. *GRIA2*⁺ and arterial ECs (*DKK2*⁺, *SSUH2*⁺) form a
328 continuous differentiation trajectory in pseudotime (Fig. S8G,H) with *GRIA2*⁺ ECs likely to be a
329 more immature form. The *OMD*⁺ ECs (*GJA5*⁺, *DKK2*⁺, *PTGIS*⁺, *OMD*⁺) cluster with arterial ECs,
330 are more proximal (Fig. S2H) and line the larger arterial vessels (Fig. S11B). By contrast, venous
331 ECs (*PVLAP*⁺, *ACKR3*⁺, *HDAC9*⁺) do not have clear subclusters (Fig. S8A-C). Systemic and
332 pulmonary circulation ECs have been found in adult lungs (Schupp et al. 2021); we cannot detect
333 these in fetal lungs.

334

335 Two major lymphatic ECs were detected, lymphatic ECs (*PROX1*⁺, *STAB1*⁺, *UCP2*^{LO}) and SCG3⁺
336 lymphatic ECs (*PROX1*⁺, *SCG3*⁺), with an intermediate population connecting them (Fig. S8A-
337 C,F). SCG3⁺ lymphatic ECs resemble a lymphatic valve population (Takeda et al. 2019).

338

339 **Haematopoietic cell types in the developing lung**

340 At the early stages (5-6 pcw) when arterial, capillary and lymphatic ECs were present, embryonic
341 erythrocyte, HMOX1⁺ erythroblast and a small number of macrophages and ILC progenitors were
342 detected, representing the early progenitors of haematopoiesis. After 11 pcw relative numbers of
343 lymphoid and myeloid cells increased, dominated by macrophages, ILCs, dendritic, NK, T and B
344 cells (Fig. 1C, S2A,B, S9A-C,F,G,K). Immature T cells are largely absent from the atlas, consistent
345 with the restriction of T cell development to the thymus. In contrast, a range of early B cell
346 precursors and the ILC precursor were detected. We enriched TCR and BCR fragments from our
347 scRNA-seq libraries which supported cell-type identities and subdivision (Fig. S9D-E,H-J). To
348 look for lung-specific features of the leukocyte cells, we compared our atlas with a pan-fetal human
349 atlas (Cao et al. 2020). Unlike epithelial, endothelial and fibroblasts, leukocytes in our atlas are
350 transcriptionally highly similar to those of other organs with minimal evidence of lung-specificity
351 (Fig. S9L).

352

353 **Developmental trajectories of mesenchymal cells**

354 The broad fibroblast cluster comprises fibroblasts, myofibroblasts, airway and vascular smooth
355 muscle (ASM and vSMC), pericytes, mesothelium and chondrocytes (Fig. 4A,B). Airway
356 fibroblasts and chondrocytes were proximally-enriched; mesothelium distally-enriched (Fig. S2H;
357 4D). There is a distinct separation of cell clusters by age (Fig. 4C). Airway SM cells were observed
358 from 9 pcw, consistent with previous immunostaining (Nikolić et al. 2017), and showed increasing
359 maturity over time (Fig. 4A-C). Two distinct populations of vSMC were observed throughout the
360 time course: vSMC1 (*NTRK3*⁺, *NTN4*⁺, *PLN*⁺) and vSMC2 (*NTRK3*⁺, *NTN4*⁺, *PLN*⁺) (Fig. 4A,B)
361 and were intermingled around the same vessels on tissue sections (Fig. S10A,C). vSMC1 was
362 enriched in genes relating to ECM organisation and cell adhesion, whereas vSMC2 was enriched
363 for transcripts encoding contractility proteins and signalling molecules (Fig. S10B). Intermingling
364 of vSMC subtypes with different levels of contractility proteins is seen in adult lungs (Frid et al.
365 1997); our developmental observation suggests that these represent normal functional/ontological

366 differences, rather than pathology. Pericytes (*FAMI62B*⁺) were visualised adjacent to the
367 microvascular endothelium (Fig. S10D).

368

369 The most common cells isolated from 5-15 pcw lungs were fibroblasts (Fig. 1C). At 5-6 pcw,
370 early-fibroblasts (*SFRP2*⁺, *WNT2*⁺) predominated, although multiple populations were detected
371 (Fig. 4A,B). In 9,11 pcw lungs, early-fibroblasts had matured into mid-fibroblasts (*WNT2*⁺,
372 *FGFR4*^{LO}) which have recently been shown to promote epithelial tip cell fate (Hein et al. 2022).
373 In the most mature lungs sequenced, there were three distinct fibroblast populations: adventitial
374 (*SFRP2*⁺, *PII6*⁺), airway (*AGTR2*⁺, *SI00A4*⁺) and alveolar (*WNT2*⁺, *FGFR4*⁺) with distinct spatial
375 locations (Fig. 4A,B,D-H). In addition, an intermediate fibroblast population connected the more
376 mature fibroblasts on the UMAP (Fig. 4A,B), possibly representing a transitional state. Pseudotime
377 analysis predicted a differentiation hierarchy from the early and mid fibroblasts to adventitial
378 fibroblasts; with alveolar and airway fibroblasts forming separate branches (Fig. 4I-K).
379 Alternatively, the intermediate fibroblast population may indicate plasticity in the fibroblast
380 lineage in normal development as previously suggested (Kumar et al. 2014).

381

382 The three major fibroblast types in 15-22 pcw lungs expressed high levels of genes associated with
383 ECM organisation, but had distinct gene expression patterns and spatial localisation. Adventitial
384 fibroblasts (*SFRP2*⁺, *PII6*⁺) surrounded the larger blood vessels (Fig 4D). They formed diffusely
385 arranged layers of cells surrounding the tightly packed concentric rings of ECs, pericytes and
386 smooth muscle (Fig 4E, S10C). Adventitial fibroblasts were enriched in gene expression
387 associated with ECM organisation and signalling, including BMP, TGFβ, WNT (Fig. 4J,K;
388 S10E,F) consistent with described roles providing structural support to the perivascular region
389 (Dahlgren and Molofsky 2019). Alveolar fibroblasts (*WNT2*⁺, *FGFR4*⁺) were observed throughout
390 the lung, particularly surrounding the tip cells and close to the microvasculature (Fig 4F). They
391 were enriched in genes associated with actin organisation, focal adhesions and morphogenesis, as
392 well as signalling molecules (Fig. 4J,K; S10E,F). Adventitial and alveolar fibroblasts shared key
393 markers such as collagens, but also expressed unique genes (adventitial: *SERPINF1*, *SFRP2*, *PII6*;
394 alveolar: *FGFR4*, *VEGFD*; Fig. 4K). By contrast, the airway fibroblasts (*AGTR2*⁺, *SI00A4*⁺, note
395 that *SI00A4* is expressed in various immune and airway epithelial cells) were adjacent to the
396 airway smooth muscle and highly enriched in signalling molecules associated with morphogenesis

397 (Fig. 4D,G,J,K; S10E,F). We did not detect lipofibroblasts (Travaglini et al. 2020), meaning that
398 they are either exceptionally rare, or form later than 22 pcw, or do not form distinct clusters in all
399 lung data sets (Madisson et al. 2021). Endothelial and fibroblast populations align well between
400 fetal and adult data (Fig. S3B,C), but with some unique developmental states, such as fetal
401 early/mid-fibroblasts and myofibroblasts.

402

403 Myofibroblasts formed three distinct groups in our single cell data. Myofibroblast 1 (*CXCL14*⁺,
404 *KCNK17*⁺, *CT45A3*⁺, *THBD*^{LO}) appeared at 9 pcw and persisted to 20 pcw. Myofibroblast 2
405 (*CXCL14*⁺, *KCNK17*⁺, *CT45A3*⁺, *THBD*^{HI}) and myofibroblast 3 (*CXCL14*⁺, *KCNK17*⁺, *CT45A3*⁻,
406 *THBD*⁻) were predominantly identified at 22 pcw (Fig. 4A,B). Throughout development,
407 myofibroblasts (*CXCL14*⁺, *KCNK17*⁺) were visualised surrounding the developing stalk region of
408 the epithelium, suggesting a close signalling relationship (Fig. 4D,H, S10G,H). Although not
409 detected in significant numbers in the scRNA-seq data until 22 pcw, we see myofibroblast 2
410 (*PDGFRA*⁺, *THBD*^{HI}, *NOTUM*⁺) around the stalk epithelium from 15 pcw (Fig. 4D; S10H,J,K),
411 the same position as myofibroblast 1. The appearance of myofibroblast 2 is coincident with the
412 acquisition of AT2 markers by the late tip cells, and it may be a more mature state of myofibroblast
413 1. Myofibroblast 2 was enriched in gene expression associated with cell contractility and focal
414 adhesions, as well as WNT signalling (Fig. S10J,K). Co-expression of the Wnt-responsive genes
415 *LEF1*, *NOTUM* and *NKDI* suggests that myofibroblast 2 is responding to local Wnt expression
416 (*WNT2* is high in alveolar fibroblasts) and producing the secreted Wnt inhibitor NOTUM;
417 potentially to regulate local cell patterning. We tested this hypothesis using co-culture experiments
418 where myofibroblast 2 was shown to both respond to WNT and to modulate the Wnt-response of
419 co-cultured epithelial cells (Lim et al. 2021). *In vivo*, it is likely that myofibroblast 2 modulates
420 the WNT2 signal from the alveolar fibroblasts mediating spatial patterning of epithelial AT2 and
421 AT1 fate in human lung development. By contrast, myofibroblast 3 has higher expression of genes
422 associated with ECM organisation and a variety of signalling molecules, including *C7*, *RSPO2* and
423 *BMPER* (Fig. S10J). Myofibroblast 3 was always localised to the developing air sacs (Fig. S10I),
424 rather than the stalk epithelium, and are likely to be precursors of the alveolar myofibroblasts (Li
425 et al. 2020; Zepp et al. 2021).

426

427 **Signalling niches in lung development**

428 We used CellPhoneDB (Efremova et al. 2020) to analyse cell-cell communication with the aim of
429 predicting signalling interactions controlling cell fate allocation. We focused on 15-22 pcw cells
430 and, based on the spatial localisation of the major fibroblast populations (Fig. 4E-G), analysed
431 signalling within three niches, defined as - Airway niche: airway fibroblasts; late airway SMCs;
432 airway epithelial cells. Alveolar niche: alveolar fibroblasts, aerocytes, late Cap cells, late tip cells,
433 AT1, AT2. Adventitial niche: adventitial fibroblasts, arterial endothelium, OMD⁺ endothelium,
434 vascular smooth muscle cells. CellPhoneDB predicts numerous signalling interactions
435 (Supplemental Table 2) which we curated by plotting the expression of ligand-receptor pairs
436 representing major signalling pathways (Fig. 5A,B; S11A). We observed expected interactions,
437 including high levels of Notch ligands and receptors and CXCL12-CXCR4 signalling in the
438 adventitial niche (Fig. S11A,B) (Herbert and Stainier 2011). Similarly, expected signalling
439 predicted in the alveolar niche included aerocytes to late cap cells (ALPN-ALPNR) and alveolar
440 epithelial cells to microvascular ECs (VEGFA-FLT1/FLT4/KDR) (Fig. 5B; S11B) (Gillich et al.
441 2020; Vila Ellis et al. 2020).

442
443 Airway fibroblasts were predicted to signal via TGF β 3 and BMP4 to the airway epithelium,
444 consistent with roles for these signals in human basal cell specification and differentiation (Miller
445 et al. 2020; Mou et al. 2016). Airway fibroblasts and ASM were also predicted to signal to the
446 epithelium via FGF7/18 to FGFR2/3 and non-canonical WNT5A to FZD/ROR (Fig. 5A). By
447 contrast, although FGF and WNT signalling interactions were predicted in the alveolar niche,
448 interactions were based on lower levels of *FGF*, but higher levels of canonical *WNT2* and its
449 receptor (Fig. 5B). The predicted FGF and WNT signalling interactions in the alveolar niche/late
450 tip cells are consistent with the requirement of these factors for long-term self-renewal of human
451 distal tip organoids (Nikolić et al. 2017; Lim et al. 2021). Tissue staining showed that although
452 *FGF7* is expressed fairly ubiquitously, the airway fibroblasts and ASM form a distinct barrier
453 between the airway epithelium and the *WNT2* expression (Fig. 5C-E). Based on these data, we
454 predicted that removing canonical WNT, but retaining FGF signalling would promote airway
455 differentiation in the human distal tip organoids (Fig. 5F). Indeed, we observed robust basal,
456 secretory and ciliated cell differentiation in response to FGF-containing medium (Fig. 5G,H).

457

458 **scATAC-seq analysis identifies putative cell fate regulators**

459 Single cell ATAC-seq provides an independent method of assessing cell type based on open
460 chromatin regions and allows cell type-specific TFs to be predicted. After tissue dissociation, the
461 single cell suspensions were split and half of the cells processed for nuclear isolation and scATAC-
462 seq (Fig. 1A). Following quality control and doublet removal, 67 scATAC-seq clusters comprising
463 ~100K cells were obtained and a label transfer process was used to annotate scATAC-seq clusters
464 based on our scRNA-seq data (Fig. 6A). Not every cell state detected by scRNA-seq was
465 distinguishable by scATAC-seq, consistent with previous work (Domcke et al. 2020; Cao et al.
466 2020). For example, separate early-tip, stalk and airway progenitor clusters were discerned by
467 scRNA-seq (Fig. 2A), but a combined cluster with strong similarity to all three cell types was
468 detected by scATAC-seq (Fig. 6A). Similarly, the resolution of scATAC-seq allowed us to identify
469 a combined AT1/AT2 cluster and single arterial endothelial, vascular smooth muscle,
470 myofibroblast and basal cell clusters (Fig. 6A). Nevertheless, there was broad agreement between
471 the scRNA-seq and ATAC-seq data in terms of capturing cell types, including many of the
472 novel/lesser-known cell types we identified by scRNA-seq (mid and late tip, mid and late airway
473 progenitors, GHRL⁺ NE, MUC16⁺ ciliated, dueterosomal, airway fibroblasts, aerocytes, SCG3⁺
474 lymphatic endothelial cells).

475
476 We analysed TF binding motifs in the unique/enriched open chromatin regions in each cluster and
477 plotted the top 5 TF motifs per cell type (Fig. S12). As expected, TFs belonging to the same family
478 are frequently enriched in the same cell type due to similarities in their binding motifs. This
479 analysis revealed some expected TF signatures, for example TCF21 in the alveolar, adventitial and
480 airway fibroblasts (Quaggin et al. 1999), GRHL and FOXA1/2 in epithelium (Gao et al. 2013;
481 Wan et al. 2005), and SOX17 in arterial endothelium (Corada et al. 2013). Examining epithelial
482 cells and focussing on TFs expressed in the corresponding cell type in the scRNA-seq data (Fig.
483 6B,C, marked by asterisk in B), TEAD motifs were enriched in mid-stalk cells consistent with a
484 key role for Yap (van Soldt et al. 2019), NKX2.1 in AT1/AT2 cells (Kimura, Ostrin, and Chen
485 2019), KLF factors in secretory and AT1/AT2 (Liberti et al. 2022) and TP63 in basal cells (Rock
486 et al. 2009). Unexpected TF signatures included HNF1B in late tip cells, and ZBTB7A in early
487 tip/stalk/airway progenitors. We focused on the pulmonary and GHRL⁺ NE cells which cluster
488 closely in both data sets (Fig. 2A, 6A). ASCL1 is required for mouse NE cell differentiation (Ito
489 et al. 2000; Borges et al. 1997) and this motif is strongly associated with both pulmonary and

490 GHRL⁺ NE cells (Fig. 6B). However, both cell types also have specific TF motifs including
491 NEUROD1 and RFX6 in the GHRL⁺ NEs, and TCF4 and ID in the pulmonary NEs (Fig. 6B).
492 Consistent with this, there are distinct, unique regions of open chromatin, especially in the
493 neighbourhood of cell-type specific genes such as GRP and GHRL (Fig. 6D).

494

495 We have produced a high-resolution scATAC-seq data set for the developing human lungs which
496 is highly consistent with our scRNA-seq data. Mining this data provides hypotheses for lineage-
497 determining TFs in lung development. As further scATAC datasets become available for control
498 and diseased adult lungs, our data will provide a resource for comparing normal and aberrant TFs
499 and chromatin regulation.

500

501 **Transcriptional control of neuroendocrine cell subtype formation**

502 Pulmonary NE and GHRL⁺ NE cells share the expression of many TFs and open chromatin
503 regions, but are transcriptionally distinct. In our scRNA-seq data, they were both observed along
504 a maturation trajectory (from what are labelled as precursors), shared classical NE markers
505 (*CHGA*, *SYP*), but differed in TF and hormone expression (Fig. 7A,B). A third NE population
506 (intermediate NE) clustered between pulmonary and GHRL⁺ NE cells with intermediate gene
507 expression (Fig. 7A,B), although it did contain a small number of cells expressing the unique
508 marker *NEUROG3*. Pseudotime trajectory analysis suggested that pulmonary NE and GHRL⁺ NE
509 cells were derived from airway progenitors/stalk cells and that intermediate NEs are an additional
510 transition population (Fig. S13A,B). Transition states between pulmonary NE and GHRL⁺ NE
511 were observed in sections (Fig. S13C). We therefore postulated that Pulmonary NE precursors
512 could acquire *NEUROG3* and convert to GHRL⁺ NE fate (Fig. 7C), or vice-versa - GHRL⁺
513 precursors converting to pulmonary NE fate. In sections, *ASCL1* was co-expressed with *GRP*, but
514 rarely with *GHRL*. We also observed *ASCL1* single-positive cells, likely representing pulmonary
515 NE precursors (Fig. 7D). *NEUROD1* was co-expressed with *GHRL*, but also observed with *GRP*
516 (Fig. 7E). Whereas *NEUROG3* was co-expressed with *ASCL1* and/or *NEUROD1*, supporting a
517 role in a transition population (Fig. S13D).

518

519 Differential expression of *ASCL1* and *NEUROD1* defines A- and N-type human small cell lung
520 cancer (SCLC), which likely derive from NE cells (Gay et al. 2021). Interestingly, these two TFs

521 coincide with the scRNA-seq marker genes and scATAC-seq TF motif enrichment of our fetal NE
522 cells (Fig. 6B,7B). We generated SCLC feature gene lists (Borromeo et al. 2016) and performed
523 gene signature scoring, showing that the A-type signature resembles pulmonary NEs, whereas the
524 N-type resembles GHRL⁺ NEs (Fig. 7F). These data suggest that either there are two different NE
525 cells of origin for human SCLCs, or that SCLCs reuse developmental mechanisms as suggested
526 by some mouse models (Ireland et al. 2020). We have been unable to detect GHRL⁺ NEs in the
527 adult airways using HCR (5 biological replicates). However, a small number of GHRL⁺ cells are
528 present within a tuft cell cluster in an integrated adult lung cell atlas containing 2.2 million cells
529 (Sikkema et al. 2022), suggesting that GHRL⁺ NEs could be a rare cell state in the adult airways.
530 Given their relevance to human disease states, we sought to use our single cell atlas to identify
531 lineage-defining TFs controlling NE cell differentiation and test these predictions using our
532 organoid system. We reasoned that overexpression of lineage-defining transcription factors in lung
533 tip organoids (Nikolić et al. 2017; Sun et al. 2021) would promote cell type-specific differentiation.
534
535 Multiple TFs were differentially expressed between pulmonary NE and GHRL⁺ NE cells (Fig. 7B).
536 We used SCENIC analysis of gene regulatory networks (GRNs) (Aibar et al. 2017) along a
537 predicted airway progenitor to GHRL⁺ NE trajectory (Fig. S13A,B) to identify putative lineage-
538 defining TFs (Fig. 7G). ASCL1, NEUROD1 and NEUROG3 all emerged as potential key nodes
539 and are required for endocrine cell differentiation in various organs (Borges et al. 1997; Ito et al.
540 2000; Mellitzer et al. 2010; Naya et al. 1997). We also selected the GHRL⁺ NE-specific *RFX6*
541 (Fig. S13E) and *NKX2.2* (Fig. 7B), the pan-NE *PROX1* (Fig. 7B) and, as controls, the basal cell-
542 specific TFs *DeltaNTP63*, *TFAP2A*, *PAX9*, and *mNeonGreen-3xNLS*. Overexpression of *PROX1*
543 or *NKX2-2* did not result in NE gene upregulation based on qRT-PCR (not shown) and these TFs
544 were not followed up. The other factors resulted in increased expression of basal or NE markers
545 compared to *mNeonGreen-3xNLS* controls and the experiments were repeated using scRNA-seq.
546 Individual TFs were overexpressed from a doxycycline-inducible construct for 3 days and
547 organoids were maintained in the self-renewing (tip cell-promoting) medium throughout to
548 rigorously assay the lineage-determining competence of the TF (Fig. 7H; S14A), followed by
549 scRNA-seq.
550

551 When mapped to epithelial cells of our fetal lung atlas, the majority of the *mNeonGreen-3xNLS*
552 expressing organoid cells projected to mid-tip or -stalk cells as expected (Fig. 7I). Whereas,
553 overexpression of *DeltaNTP63* resulted in basal cell-like lineages (S14B) consistent with a
554 previous report (Warner et al. 2013), indicating that this simple assay can report TF function.
555 Overexpression of *RFX6*, *TFAP2A* or *PAX9* did not result in the predicted lineage progression at
556 a transcriptome level (S14B). However, *ASCL1*-overexpressing organoids progressed into
557 pulmonary NE precursors (Fig. 7I) and *NEUROD1* overexpression promoted differentiation into
558 *GHRL*⁺ NE precursors (Fig. 7I). *NEUROG3* overexpression also led to *GHRL*⁺ NE precursor
559 formation (Fig. S14B), suggesting that the *GHRL*⁺ NE lineage is the destination of the intermediate
560 NE population (Fig. 7C).

561
562 The 5' differences between the transgenes and endogenous TFs allowed us to distinguish these
563 transcripts and infer gene regulation hierarchy. We observed autoregulation of *ASCL1*,
564 *NEUROD1*, *NEUROG3* and *RFX6* (Fig. S14C). By contrast, *NKX2-2* and *PROX1* were
565 upregulated by other TFs, indicating they are relatively low in the hierarchy (Fig. S14C). *NKX2-2*
566 and *PROX1* expression in the organoid assay matched their expression in NE cells *in vivo* (Fig.
567 7B, S14C), showing that this assay recapitulated key features of the TF network. These
568 experiments have allowed us to test gene GRN predictions from the single cell atlas, confirm the
569 predicted lineage trajectory and provide a foundation for studying human SCLC. This is significant
570 given that there is no evidence that *GHRL*⁺ NE cells are present in mice (Borromeo et al. 2016),
571 making the use of mouse models difficult.

572

573 Discussion

574 Using a combination of single cell and spatial approaches we have identified 144 cell types, or
575 states, in the developing human lungs across the 5-22 pcw period. We take advantage of a known
576 proximal-distal gradient in epithelial differentiation to identify progenitor and differentiating states
577 in the developing airway, including a new neuroendocrine cell subtype related to SCLC. We
578 suggest that human alveolar epithelial differentiation follows a tip-stalk-AT2/1 fate decision
579 pattern that is different to the prevailing cellular models of mouse alveolar development.
580 Moreover, analysis of the mesenchymal compartment identified three niche regions with distinct
581 signalling interactions, allowing us to identify signalling conditions that are sufficient for airway

582 differentiation of human embryonic lung organoids. We tested GRN predictions for NE cell
583 differentiation in an organoid system, allowing us to identify lineage-defining TFs and provide
584 directionality to the inferred differentiation trajectory. This study provides a paradigm for
585 combining single cell datasets with spatial analysis of the tissue and functional analyses in a human
586 organoid system to provide mechanistic insights into human development.

587

588 We show that lung maturation occurs in concert across cell compartments, for example epithelial
589 AT1 cells and endothelial aerocytes differentiating in parallel at 20-22 pcw. Moreover, we have
590 observed many aspects of cellular differentiation *in utero* showing that they are controlled by
591 prenatal factors, rather than the transition to air breathing with its associated mechanical and
592 hormonal changes. For example, two distinct types of vSMCs and lymphatic endothelial cells are
593 established prior to major alterations in blood flow that occur postnatally.

594

595 The mesenchymal compartment contains multiple fibroblast and myofibroblast cell states and we
596 focus on those present during the later stages of lung development. Airway, adventitial and
597 alveolar fibroblasts are all localised in distinct niche regions and participate in different signalling
598 interactions. Airway and adventitial fibroblasts both express unique combinations of signalling
599 molecules and also form physical barriers between the neighbouring airway epithelium, or vascular
600 endothelium, and the widespread alveolar fibroblasts (Fig. 4,5). Similarly, we characterise a
601 population of myofibroblasts which contacts the developing epithelial stalk region and expresses
602 high levels of the secreted Wnt-inhibitor, *NOTUM* (Fig. S10K); whereas alveolar fibroblasts
603 express high levels of the canonical *WNT2* ligand (Fig. 4). In a separate study, using surface
604 markers identified in this single cell atlas, we were able to specifically isolate alveolar fibroblasts
605 and myofibroblast 2 cells and perform co-culture experiments with late tip organoids (Lim et al.
606 2021). Those experiments confirmed that a three-way signalling interaction between alveolar
607 fibroblasts, myofibroblast 2 cells and late tip cells can control human AT2 spatial patterning.

608

609 We find that *GHRL*⁺ NE cells are transcriptionally similar to the *NEUROD1*⁺ N-subtype of SCLC
610 (Fig. 7). Our functional analyses of NE cell differentiation in organoids will provide tools to test
611 these hypotheses. Mouse studies show that fetal transcriptional and chromatin cell states are
612 accessed during the normal process of tissue regeneration and may contribute to neoplasm in

613 chronic inflammation (Larsen and Jensen 2021; Jadhav et al. 2017). Detailed ATAC-seq datasets
614 are not yet available for human lung disease. Our high quality ATAC-seq atlas will provide a
615 baseline for further analyses when adult chromatin accessibility lung atlases are published. In
616 summary, our multi-component atlas is a community resource for future analyses of human
617 development, regeneration and disease.

618

619 **Limitations of the study**

620 We provide a carefully annotated, descriptive cell atlas resource. Many conclusions are derived
621 from trajectory inference or TF binding site analyses and require future validation. The trajectory
622 inference analyses predict lineage relationships and transitions between cell types. However, these
623 transitions reflect similarities in gene expression, for which direct differentiation processes are
624 only one possible explanation. Further, they do not imply directionality. RNA velocity (used in
625 Fig. 2D) provides directionality to trajectory inference predictions using the ratio of spliced versus
626 unspliced mRNA and assuming steady-state transcription and degradation rates. However, over
627 developmental time these assumptions are unlikely to hold across all developmental transitions,
628 which can lead to the inference of incorrect directionality (Bergen et al. 2021). Similarly, when
629 applying RNA velocity algorithms to scRNA-seq data of a known differentiation trajectory,
630 reversed velocities have been reported (Gorin et al. 2022). For these reasons, we performed most
631 of our trajectory inference analysis using Monocle3 (Trapnell et al. 2014). Monocle3 requires user-
632 defined starting and end points and calculates the most likely routes between these points (shown
633 as grey lines on the plots), guided by known biological features of the data (age and spatial
634 arrangement of cells). A further confounding factor for trajectory inference in development is that
635 upon maturation, some cell types are likely to act as progenitors themselves (Rawlins, Okubo, et
636 al. 2009; Rock et al. 2009; Yang et al. 2018). Adding to the difficulty of reconstructing complete
637 lineages, our single-cell dissociation protocols are expected to under-sample certain cells, such as
638 mature neurons and chondrocytes. Furthermore, validation assays for lineage analysis in human
639 systems rely on *in vitro* experiments, including organoid and iPSC differentiation. It is important
640 to acknowledge that these usually define differentiation competence and do not necessarily mean
641 that a specific differentiation route occurs *in vivo*.

642

643 We have performed data integration and regression analysis to compare the identity of our fetal
644 human lung cells with adult human lung cells. There are approximately three decades between the
645 oldest fetal and youngest adult human lung samples sequenced, including a rapid period of
646 postnatal growth and morphogenesis, puberty and an unknown number of
647 infections/environmental insults. Despite this, many fetal-adult similarities can be seen.
648 Nevertheless, it will be important to sequence additional lungs and, when possible, to fill the age
649 gap. Similarly, mouse-human fetal lung cell comparisons have discerned similarities and
650 differences. However, the differences in experimental protocols and annotation granularity
651 between the mouse and human data might have also contributed to the differences we see.
652 Moreover, mice were selected as lab animals partly due to their small size and rapid gestation. It
653 will be informative in the future to make comparisons with a range of fetal lungs, including larger,
654 long-developing species such as pig and sheep, to distinguish between differences due to species,
655 size and gestation period.

656

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677

678 **Author Contributions**

679 Conceptualization: PH, KL, DS, KBM and ELR. Methodology: PH, KL, DS. Software: PH.
680 Formal Analysis: PH, JPP, KP, ZKT. Investigation: KL, DS, QJ, ZD, LB, LR, LM, MD, AW and
681 MY. Resources: EM, XH, RAB, SMJ. Data Curation: PH, KL, DS, EM, ZKT, ED, CS, IG. Writing
682 - original draft: PH, KL, DS, JPP, KBM and ELR. Writing - review and editing: PH, KL, DS,
683 KBM, ELR, SAT, JBM. Supervision: MZN, RAB, SAT, JBM, KBM and ELR. Funding
684 Acquisition: KL, EM, JPP, RAB, MZN, SAT, JBM, KBM and ELR.

685

686 **Declaration of Interests**

687 SAT is a member of the Scientific Advisory Board for the following companies: Biogen, Foresite
688 Labs, GSK, Qiagen, CRG Barcelona, Jax Labs, SciLife Lab, Allen Institute. She is a consultant
689 for Genentech and Roche. She is co-founder of Transition Bio and a member of the Board. ZKT
690 has received consulting fees from Synteny Biotechnologies for activities unrelated to this work.

691

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929 **FIGURE LEGENDS**

930

931 **Figure 1. Experimental overview.**

932 (A) Overview of sample collection for scRNA-seq (circles) and scATAC-seq (squares)
933 experiments from whole lung (purple), distal (red) and proximal (blue) regions, cell processing
934 and broad clustering; cluster number refers to the data portal (<https://lungcellatlas.org>).

935 (B) UMAP representation of ~80,000 good quality cells, indicating epithelial, endothelial,
936 fibroblasts and leukocyte/erythroid compartments.

937 (C) Cell type proportions of the whole lung over developmental time.

938 See also Figures S1, S2, S3 and S9.

939 **Figure 2. Epithelial cell types, states and location over developmental time**

940 (A, B) UMAP visualisation of epithelial cells, coloured by cell types (A), stage (B, *left*), and region
941 (B, *right*).

942 (C) Dot plot describing differential marker gene expression level for epithelial cells.

943 (D) UMAP visualising the predicted epithelial cell lineage trajectory using scvelo, inset:
944 developmental age.

945 (E, F) *In situ* HCR at 11 (F) and 12 (E) pcw. (E) *SOX9* (tip epithelium, white), *CYTL1* (red),
946 *SCGB3A2* (green). (F) *GHRL*⁺ (*GHRL*⁺ neuroendocrine, red), *GRP*⁺ (pulmonary neuroendocrine,
947 green).

948 (G) Dot plot showing differential marker genes across secretory cell subtypes.

949 (H) *In situ* HCR at 19 pcw using *SCGB1A1* (red), *SCGB3A2* (green), and *SCGB3A1* (white).

950 (I-J) Differentially enriched genes in the proximal secretory cell subtypes. *SPDEF* (I, I'), *MUC5B*
951 (I''), and *SERPINA1* (I'''), *CYP2F1* (J), *MUC4* (J'), *KRT4* (J'') all white; *SCGB1A1* (red) and
952 *SCGB3A2* (green).

953 DAPI, nuclei. Scale bars, 50 μ m.

954 See also Figures S4, S5 and S6.

955 **Figure 3. Late epithelial tip cells acquire an alveolar progenitor identity**

956 (A, B) *In situ* HCR at 11 (A, B), 15 (B), and 19 (A) pcw. (A) *SFTPC* (green), *TPPP3* (red), *SOX9*
957 (white). (B) *SFTPC* (green), *SFTPA1* (red), *STC1* (white). Dashed lines: tip epithelium.

958 (C,D) UMAP visualisation of early to late tip, late stalk, fetal AT1 and AT2 cells, coloured by cell
959 types (C) and stages (C'); PAGA analysis (C''); Monocle3 trajectories (D).
960 (E) Gene expression heatmap of trajectory coloured in D.
961 (F) *In situ* HCR at 16, 19, and 21 pcw, *SFTPC* (green), *TPPP3* (red), and *SOX9* (white). White
962 lines/red arrows: columnar tip prognitors, *SFTPC*⁺/*SOX9*^{+/high}/*TPPP3*⁺. Arrowheads/dashed lines
963 in stalk/air sac regions: cuboidal differentiating fetal AT2 cells, *SFTPC*⁺/*SOX9*^{low/-}/*TPPP3*^{low/-}.
964 Asterisk (*) primitive air sacs.
965 (G) Quantification of cuboidal *SFTPC*⁺/*SOX9*^{low/-} fetal AT2 cells in stalk/air sac regions in F. The
966 *SFTPC*⁺ tip epithelial cells were excluded by their columnar morphology and marker expression
967 (*SOX9*^{low/-}). Mean ± SD, n >7. Significance evaluated by 1-way ANOVA with Tukey multiple
968 comparison post-test; ns: not significant, **P*<0.05, ***P*<0.01, ****P*<0.001, *****P*<0.0001.
969 (H, I) *In situ* HCR analysis at 21 pcw. Fetal AT2 *SFTPC*⁺ and *NAPSA*⁺ (arrowheads; H, I) and
970 fetal AT1 *SFTPC*⁻/*MMP28*⁺/*SPOCK2*⁺ (arrows; I).
971 (J) Diagram of the acquisition of alveolar progenitor identity by late epithelial tips, followed by
972 differentiation to fetal AT2 and AT1 lineages.
973 DAPI, nuclei. Scale bars, 50 μm.
974 See also Figure S7 and S8.

975 **Figure 4. Diverse mesenchymal cell types localise to distinct niches in the developing human**
976 **lung.**

977 (A) UMAP visualisation of mesenchymal cells.
978 (B) Dot plot describing mesenchymal differential marker gene expression.
979 (C) UMAP visualisation of mesenchymal cells coloured by stage.
980 (D) Visium spatial feature plots visualising adventitial fibroblasts, airway fibroblasts, ASPN+
981 chondrocytes, and myofibroblasts-2 on 17 and 20 pcw lung sections. Scores are conservative
982 estimates of cell-type abundance per voxel.
983 (E-H) *In situ* HCR assay (E-H) and immunostaining (G). (E) Adventitial fibroblasts
984 (*SFRP2*,white/*PII6*,red; arrowheads), ECs (*PECAMI*, green). (F) Alveolar fibroblasts (*WNT2*
985 white; *FGFR4* red), tip cells (*SFTPC* green). Asterisks (*) myofibroblasts). (G) Airway fibroblasts
986 (*S100A4* red; *AGTR2* white), smooth muscle (*ACTA2* green, dashed line). (H) Myofibroblasts

987 (*KCNK17* white, *CXCL14* red; arrowheads), tip cells (*SFTPC*, green). DAPI, nuclei. Scale bars,
988 50 μm .

989 (I) UMAP visualisation of cell types (I), stage (I') and PAGA analysis (I'') of fibroblast
990 differentiation trajectories, .

991 (J, K) UMAPs with Monocle3 trajectories (J) and selected trajectory gene expression heatmaps
992 (K) for mid tip to adventitial fibroblasts (top), alveolar fibroblasts (middle), or airway fibroblasts
993 (bottom).

994 See also Figure S10.

995 **Figure 5. Signalling ligand-receptor interactions in alveolar and airway niches.**

996 (A, B) Curated ligand–receptor interaction predictions from CellPhoneDB in alveolar (A) and
997 airway (B) niches. Dot plots visualise gene expression by cell type; dashed arrows indicate the
998 predicted direction of signalling.

999 (C-E) Immunofluorescence/HCR. *S100A4/S100A4*, airway fibroblasts; *ACTA2*, ASM; *CD44*, tip
1000 epithelium; *PECAM1*, ECs. Airway fibroblasts/ASM form a boundary (dashed lines) between
1001 alveolar and airway regions. Lines are between airway fibroblasts/SMCs and airway epithelium.
1002 DAPI, nuclei. Scale bars, 50 μm .

1003 (F) Organoids were cultured in FGF7/10-containing medium, in the presence (self-renewal
1004 medium; SNM) or absence (differentiation medium; DM) of CHIR99021, for 30 days.

1005 (G) qRT-PCR quantifications normalised to the organoids cultured in SNM. Significance
1006 evaluated by 2-way ANOVA with Tukey multiple comparison post-test; * $P<0.05$, ** $P<0.01$,
1007 *** $P<0.001$; $n=6$ organoid lines.

1008 (H) Whole mount immunofluorescence of lung organoids cultured in self-renewal medium (upper)
1009 and differentiation medium (lower). DAPI, nuclei. Scale bar, 25 μm .

1010 See also Figure S11.

1011 **Figure 6. DNA accessibility and motif enrichment revealed by scATAC-seq.**

1012 (A) Single-cell DNA accessibility profiles mapped onto 2D UMAP plane. Coloured for cell states.

1013 (B) A union set of top 10 enriched motifs in the marker peaks among epithelial cell types/states.
1014 Statistical significance is visualised as a heatmap according to the colour bar below. Transcription
1015 factors concordantly expressed based on scRNA-seq data are marked with asterisks.

1016 (C) Expression dotplot of the concordant transcription factors from (B) in epithelial cell types.
1017 (D-E) Read coverage tracks of in silico aggregated “pseudo-bulk” epithelial clusters over the GRP
1018 locus (D) and GHRL locus (E).
1019 See also Figure S12.

1020 **Figure 7. *ASCL1* and *NEUROD1* regulate the formation of two subtypes of neuroendocrine**
1021 **cells.**

1022 (A) Zoom-in UMAP plot of NE lineages.
1023 (B) Dot plot showing selected gene expression in NE lineages.
1024 (C) Schematic model of NE lineage formation.
1025 (D) Left: HCR, *GRP* (green), *GHRL* (red), *ASCL1* (white). Right: Mean \pm SEM of *ASCL1*⁺ cell
1026 types, N = 3 human fetal lungs, n = 243 *ASCL1*⁺ cells.
1027 (E) Left: HCR, *GRP* (green), *NEUROD1* (red), *GHRL* (white). Right: Mean \pm SEM of *NEUROD1*⁺
1028 cell types: N = 2, 11 pcw human fetal lungs, n = 129; N = 3, 12 pcw human fetal lungs, n = 132.
1029 Scale bars 25 μ m.
1030 (F) Gene signature scoring of A-type and N-type SCLC features in the epithelial UMAP.
1031 (G) Scenic analysis of predicted TF network governing mid tip progenitor cells to pulmonary NE.
1032 Trajectory and colour coding match Fig. S13A,B.
1033 (H) Organoids from 8 pcw human fetal lungs were transduced with Doxycycline (Dox) inducible TF,
1034 or mNeonGreen-NLS, lentivirus. Transduced organoids were isolated by flow cytometry based on
1035 TagRFP expression, seeded in Matrigel for 10-13 days prior to Dox treatment. Organoid cells were
1036 harvested 3 days post-Dox for scRNA-Seq. N=3 organoid lines.
1037 (I) Left: reference UMAP of primary human fetal lung epithelium. Mid and right: scRNA-Seq of
1038 organoids overexpressing *mNeonGreen-NLS*, *ASCL1* or *NEUROD1* projected onto the primary
1039 data.
1040 See also Figures S13 and S14.

1041 **Figure S1. Quality control for scRNA-seq and scATAC-seq data**

1042 (A) Distributions of the number of genes detected per cell, grouped by 10X libraries.
1043 (B) Proportions of broad cell types in samples treated with Trypsin, and Trypsin plus EPCAM
1044 enrichment following colour codes in Figure 1C.

1045 (C) Initial clusters of data separating compartments, before subclustering.
1046 (D-F) Workflows of the recursive subclustering method (D), the Doublet Cluster Labeling
1047 (DouCLing) method to identify doublet-driven clusters (E), and inference of maternal cells using
1048 Souporecell (F).
1049 (G) Doublet scores calculated by Scrublet.
1050 (H) Inferred doublet clusters using DouCLing.
1051 (I) Number of genes detected projected on UMAP.
1052 (J) Percentage of mitochondrial reads.
1053 (K) Cells in curated doublet clusters.
1054 (L) Cells in clusters of cells coming from other organs. Marker genes in parentheses.
1055 (M) Inferred maternal cells.
1056 (N) Cells in curated low-quality cell clusters.
1057 (O,P) scATAC-seq quality metrics of fragment detection per cell (O) and reads mapped in
1058 transcription-start sites (P).
1059

1060 **Figure S2. Overview of 144 cell types or cell states**

1061 (A-E) All of the curated 144 clusters of single cells projected on UMAP space of transcriptomes,
1062 colored by cell type/state (A), developmental stage (B), inferred cell-cycle phase (C), dissection
1063 region (D) and dissociation/enrichment strategy (E).
1064 (F) Cells from the initial PNS cluster (C7) projected on UMAP space of transcriptomes, colored
1065 by cell type/state.
1066 (G) Selected feature genes of cell types/states in the initial PNS cluster.
1067 (H) Spatiotemporal biases of cell types. Cell types are shown as dots with x representing the
1068 weighted average of developmental stages, y representing the score of proximal enrichment and
1069 the size corresponding to the cluster size.
1070

1071 **Figure S3. Comparing fetal lung scRNA-seq with adult human and mouse lung scRNA-seq.**

1072 (A-F) Correlations of scVI latent variables between human fetal lung cell clusters and those of
1073 previously annotated adult cell clusters (Madisson et al. 2021, A-C) and mouse lung cell clusters

1074 (Zepp et al. 2021, D-F), focusing on epithelial (A, D), fibroblast (B, E) and endothelial (C, F)
1075 compartments.

1076 (G) Expression dotplot of genes shared or unique to fetal/adult lung AT1/AT2 cell clusters..

1077

1078 **Figure S4. Spatial analysis of airway epithelial cells in the developing human lungs by *in situ***
1079 **HCR.**

1080 (A) Tip and stalk epithelial cells in distal regions of fetal lungs at 17 pcw, immunostained using
1081 antibodies against CD36 (tip epithelial cells, red), PDPN (stalk epithelial cells, white), and E-
1082 cadherin (epithelium, cyan).

1083 (B, B') Airway progenitor cells in distal fetal lungs at 10 (B) and 16 (B') pcw. The airway
1084 progenitor cells marked by $SOX9/CYTL1^+/SCGB3A2^+$ are located proximally to the $CYTL1^-$
1085 $/SCGB3A2^-$ stalk. $SCGB1A1$ indicates club cells (B, white). $SFTPC$ is mainly expressed in the tip
1086 and partly located in stalk regions (B', green).

1087 (C) $GHRL^+$ neuroendocrine (dashed line, red) and GRP^+ pulmonary neuroendocrine cells (arrow,
1088 green) in fetal lungs at 22 pcw. $SFTPC$ indicates tip epithelial cells (white).

1089 (D) Airway progenitor (arrowhead) and club cells (arrow) in non-cartilaginous airway regions of
1090 fetal lungs at 12 pcw are marked by $SCGB3A2^+/SCGB1A1^-$ and $SCGB3A2^+/SCGB1A1^+$,
1091 respectively. Tip, stalk, airway progenitor, and club cells are localised progressively more
1092 proximally from the distal tip regions to the proximal non-cartilaginous airway regions. $SCGB3A2$
1093 (green), $SCGB1A1$ (red).

1094 (E) Proximal secretory 1 (arrowhead) and 2 (arrow) are distinguishable by the presence or absence
1095 of $SCGB1A1$ expression, each marked by $SCGB3A1^+/SCGB1A1^{low/-}/MUC16^{low/-}$ and
1096 $SCGB3A1^+/SCGB1A1^+/MUC16^{low/+}$, respectively, in the proximal cartilaginous airway in 15 pcw
1097 fetal lungs. $MUC16^+$ only cells are $MUC16^+$ ciliated cells. $SCGB3A2$ (green), $SCGB1A1$ (red),
1098 $MUC16$ (white).

1099 (F) Proximal secretory 2 (arrowhead) and 3 (arrow) are distinguishable by the presence or absence
1100 of $SCGB3A2$ and $MUC16$ expression, marked by $SCGB3A2^+/SCGB1A1^+/MUC16^{low/+}$ and
1101 $SCGB3A2^{low/-}/SCGB1A1^+/MUC16^+$, respectively, in the proximal cartilaginous airway of fetal
1102 lungs at 15 pcw. $SCGB3A2$ (green), $SCGB1A1$ (red), $MUC16$ (white).

1103 (G) Submucosal gland cells (arrow) located in SMGs are marked by strong *LTF* expression with
1104 *SCGB3A1*⁺/*SCGB3A2*⁻ in the proximal cartilaginous airway regions of fetal lungs at 15 pcw.
1105 *SCGB3A2* (green), *LTF* (red), *SCGB3A1* (white).

1106 (H) Ciliated cells and secretory cells are distinguishable by expression of *FOXJ1* (red) or
1107 *SCGB3A2* (green) in the non-cartilaginous airway regions at 19 pcw lungs. Ciliated cells
1108 (arrowhead), *FOXJ1*⁺/*SCGB3A2*⁻; secretory cells (arrow), *FOXJ1*⁻/*SCGB3A2*⁺.

1109 (I) *MUC16*⁺ ciliated cells (dashed line), ciliated cells (dashed circle), and secretory cells (arrow)
1110 located in the proximal cartilaginous airway regions of fetal lungs at 19 pcw. The *MUC16*⁺ ciliated
1111 cells express *MUC16* (white) with a weak level of *FOXJ1* (red), whereas the ciliated cells only
1112 express strong *FOXJ1* without *MUC16* expression. *SCGB3A2* (green)

1113 (J, J') Proximal basal cells (J, dashed line) line the basal layer of the proximal cartilaginous
1114 pseudostratified airway in fetal lungs at 19 pcw and are marked by *TP63* (red), *F3* (white), and
1115 *IGFBP3* (green). In contrast, only a few *TP63*⁺ basal cells (J', red, arrowheads) are observed in
1116 the non-cartilaginous, non-pseudostratified airway regions.

1117 (K) *ASCL1*⁺ pulmonary neuroendocrine (arrow) and *MUC5AC*⁺/*ASCL1*⁺ progenitors (arrowhead)
1118 in the non-cartilaginous airway regions of fetal lung at 12 pcw. *MUC5AC* (green), *ASCL1* (red),
1119 *SCGB3A2* (white).

1120 DAPI, nuclei. Scale bars, 50 μ m.

1121 (L) Diagram describing spatial location of epithelial cell types observed in the developing human
1122 lungs.

1123

1124 **Figure S5. Spatiotemporal location, distribution, and quantification of major epithelial cell**
1125 **types along the distal to proximal axis of the developing lungs.**

1126 (A) *In situ* HCR analysis of fetal human lung tissues at mid (10-12 pcw) and late (15-21 pcw)
1127 stages, showing spatiotemporal location and distribution of major epithelial cell types along the
1128 distal to proximal axis of the developing lungs. The lung regions were divided for imaging into
1129 tip, stalk to terminal airway; distal to proximal non-cartilaginous airway; and proximal
1130 cartilaginous airway.

1131 (B) Quantification of cells expressing marker genes of airway lineages along the airway regions at
1132 mid (10-12 pcw, upper) and late (15-21 pcw, lower) stages. *SCGB3A2*, airway progenitors/all

1133 secretory lineage cells; *CYTL1*, airway progenitor cells; *NDUFA4L2*, club/proximal secretory
1134 cells; *FMO2*, club/proximal secretory cells; *FOXJ1*, ciliated cells; *TP63*, basal cells; *SCGB1A1*,
1135 club/proximal secretory cells; *SCGB3A1*, proximal secretory cell subtypes 1-3. Significance was
1136 evaluated by 1-way ANOVA with Tukey multiple comparison post-test; n=3 biological replicates;
1137 ns: not significant * $P<0.05$, ** $P<0.01$, *** $P<0.001$, **** $P<0.0001$.

1138 (C) Proportion of proximal secretory progenitor cells, proximal secretory cell subtypes 1-3 within
1139 the proximal cartilaginous airway regions by ages, at 10-12, 15-16, and 19-21 pcw. The secretory
1140 cells in the proximal cartilaginous airway regions were counted: Prox Secretory Prog,
1141 $SCGB3A2^+SCGB3A1^-SCGB1A1^-$; Prox Secretory 1, $SCGB3A2^+SCGB3A1^+SCGB1A1^-$; Prox
1142 Secretory 2, $SCGB3A2^+SCGB3A1^+SCGB1A1^+$; Prox Secretory 3, $SCGB3A2^-$
1143 $SCGB3A1^+SCGB1A1^+$. Club cells located in the non-cartilaginous airway regions were excluded.
1144 Significance was evaluated by 2-way ANOVA with Tukey multiple comparison post-test; n=4
1145 biological replicates; ns: not significant * $P<0.05$, ** $P<0.01$, *** $P<0.001$.

1146 (D) Diagram describing spatiotemporal distribution of major cell type markers along the distal to
1147 proximal axis of the developing lungs, at mid and late stages. Mid stage only, blue; Late stage
1148 only, red; Mid-to-late stages, green. Arrows indicate narrowed (*CYTL1*) or expanded (*NDUFA4L2*,
1149 *FOXJ1*) distribution after mid to late stage transition.

1150 (E) *In situ* HCR analysis of rare cell type markers of putative ionocytes (*FOXJ1* yellow) and tuft
1151 cells (*POU2F3*, red). *E-cadherin*, green.

1152 DAPI, nuclei. Scale bar, 50 μm .

1153 **Figure S6. Trajectory analysis of airway lineage differentiation via airway progenitor cells**
1154 **in the developing human lung.**

1155 (A, A') UMAP visualization (A) and PAGA analysis (A') of a lineage trajectory from mid tip to
1156 proximal secretory lineage cells, including proximal secretory progenitor and proximal secretory
1157 cell subtypes 1 to 3. Mid and late basal cells were shown to be disconnected from other proximal
1158 secretory cell types in the PAGA analysis (A').

1159 (B-C) Trajectory UMAPs, by cell type (B) and stages (B'), and the relevant gene expression
1160 heatmap (C) displaying the selected lineage trajectory from mid tip to proximal secretory cell
1161 subtypes 1 and 2, analysed by Monocle 3. (Note that the grey lines in UMAP indicate all of the
1162 predicted differentiation paths from a user-defined starting point.)

1163 (D, D') UMAP visualization (D) and PAGA analysis (D') of a lineage trajectory from late tip, late
1164 stalk, late airway progenitor to club cells. Basal cells, including late basal, proximal basal, and
1165 SMG basal cells were shown to be left out of the trajectory as they do not connect clearly to the
1166 other cell types in this analysis (D').

1167 (E-F) Trajectory UMAPs, by cell types (E) and stages (E'), and the relevant gene expression
1168 heatmap (C) showing the selected lineage trajectory from late tip to club cells, analysed by
1169 Monocle 3.

1170 (G) Purification of distal *SCGB3A2*-GFP⁺ airway cells from human fetal lung tissues at 8-11 pcw.
1171 The epithelial cells were isolated using EPCAM magnetic microbeads (MACS) from the dissected
1172 distal and proximal airway tissues, followed by infection with lentivirus harbouring *SCGB3A2*
1173 promoter-driven GFP. The *SCGB3A2*-GFP positive cell fractions were sorted and analysed by
1174 FACS after 48 hrs and *in vitro* cultured for 28 and 45 days in the airway differentiation medium.

1175 (H) Gene expression profile of the freshly purified *SCGB3A2*-GFP positive cells derived from
1176 distal and proximal airway tissues were investigated by qRT-PCR and compared with dissected
1177 tip cells. *SOX9*, distal tip progenitor marker. *CYTL1*, airway progenitor marker. *SCGB1A1* and
1178 *SCGB3A2*, airway/secretory cell lineage markers. *SCGB3A1*, proximal secretory cell marker. Data
1179 was normalised to *SCGB3A2*-GFP negative cells derived from distal tip/stalk tissues; mean \pm SD
1180 of 3 biological replicates. Significance was evaluated by 1-way ANOVA with Tukey multiple
1181 comparison post-test; * $P < 0.05$, ** $P < 0.01$, *** $P < 0.001$.

1182 (I) Gene expression analysis of the *in vitro* cultured *SCGB3A2*-GFP positive cells (airway
1183 progenitors) derived from distal airway tissues by qRT-PCR. Airway organoids were formed from
1184 the *SCGB3A2*-GFP positive cells and collected at Day 0, 14, and 28 days after culture for the
1185 analysis. Data were normalised to *SCGB3A2*-GFP negative cells derived from distal tip/stalk
1186 tissues; mean \pm SD of 4 biological replicates. Significance was evaluated by 1-way ANOVA with
1187 Tukey multiple comparison post-test; ns: not significant * $P < 0.05$, ** $P < 0.01$.

1188 (J-M) Immunofluorescence analysis of two biologically independent, *SCGB3A2*-GFP⁺ cell-
1189 derived airway organoids cultured in the airway differentiation medium for 28 (J-L) and 45 (M)
1190 days. *SCGB1A1* (J, red), airway progenitor/secretory cell marker. TP63 (K, red), basal cell marker.
1191 *FOXJ1* (L, magenta), ciliated cell marker. *SCGB3A1* (M, red), proximal secretory cell marker.
1192 DAPI, nuclei. Scale bar, 50 μ m.

1193 **Figure S7. Late epithelial tip cells differentiate to AT2 and AT1 cells.**

1194 (A, B) UMAP visualisation (A) of a lineage trajectory from early/mid/late tip to fetal AT2 and
1195 AT1 cells and the relevant gene expression heatmap (B) showing the selected lineage trajectory
1196 analysed by Monocle 3.

1197 (C) *In situ* HCR (*TPPP3* and *SFTPC*) and immunostaining (SOX9) analysis of 15 pcw fetal lung,
1198 describing SOX9⁺*TPPP3*⁺*SFTPC*⁺ tip epithelial progenitors (lines) and SOX9⁻*TPPP3*⁻*SFTPC*⁺
1199 fetal AT2 cell population (dashed circles) lining the stalk.

1200 (D) Immunostaining of 21 pcw fetal lung using antibodies against SOX9 (red), PDPN (white), and
1201 E-cadherin (green). Arrows indicate the late tip cell population, which does not co-express the
1202 stalk marker, PDPN.

1203 (E-G) *In situ* HCR analysis of 19 (F) and 21 pcw (E, G) fetal lungs, showing the *SFTPC*⁺ fetal
1204 AT2 cell population (arrowheads) lining the developing air sacs. Arrows indicate *SFTPC*⁺ late tip
1205 cells. (E) *SFTPC* (red). (F, G) *NAPSA* (white; F) and *ETV5* (red; G) overlap with *SFTPC* in the
1206 fetal AT2 cells.

1207 (H-J) *In situ* HCR analysis of distal lung regions at 17 (H), 20 (I), and 21 (J) pcw, visualising
1208 *SFTPC*⁻ fetal AT1 cells (arrows). *SFTPC*⁻/*SPOCK2*⁻ stalk cells at 17 pcw (H) began to express
1209 *SPOCK2* (red) at 20 pcw (I) and further developed to future AT1 cells (*SFTPC*⁻/*SPOCK2*⁺) at 21
1210 pcw (J). Dashed circles (I) and arrowheads (J) indicate fetal AT2 cells. Dashed line (J) shows fetal
1211 AT1 cells lining the developing air sacs.

1212 DAPI, nuclei. Scale bars, 50 μ m.

1213 **Figure S8. Endothelial cell types in the developing human lung.**

1214 (A,B) UMAP visualisation of endothelial cells, coloured by cell types (A) and stages (B).

1215 (C) Dot plot describing differential marker gene expression level by cell type.

1216 (D-F) *In situ* HCR analysis of distal lung regions at 20 (E), and 21 (D, F) pcw. (D) Aerocytes
1217 (*S100A3*⁺ red/*CA4*⁺ white), capillary endothelium (*CA4*⁺ white), and all endothelial cells
1218 (*PECAM*⁺, green). (E) Arterial endothelial cells (*GJA5*⁺ red), venous endothelial cells (*ACKR3*⁺
1219 white), and all endothelial cells (*PECAM*⁺, green). (F) Lymphatic endothelial cells (*PROX1*⁺
1220 white) and all endothelial cells (*PECAM*⁺, green). DAPI, nuclei. Scale bars, 50 μ m.

1221 (G) Trajectory UMAP and PAGA plot (G'') visualising potential endothelial cell lineage hierarchy
1222 from Mid/Late capillary endothelial cells to arterial endothelial cells, aeryocytes, or venous
1223 endothelial cells coloured by cell types (G) and stages (G').

1224 (H, I) Individual trajectory UMAPs (H) and the relevant gene expression heatmaps (I) displaying
1225 potential lineage trajectories derived by Monocle 3 from Mid/Late capillary endothelial cells to
1226 arterial endothelial cells (*top*), aeryocytes (*middle*), or venous endothelial cells (*bottom*).

1227

1228 **Figure S9. Clustering and cell type markers for immune cell types and comparison to other**
1229 **fetal data sets.**

1230 (A,C,G) UMAP embeddings of different immune compartments showing myeloid cell types/states
1231 (A), T, NK and ILC lymphoid cells (C) and B lymphoid cells (G).

1232 (B,F,K) Dot plots showing expression of selected marker genes of cell types/states in the three
1233 immune compartments.

1234 (D, E, H, I, J) Enrichment of each class of immune receptors based on abTCR, gdTCR and BCR-
1235 enriched scRNA-seq.

1236 (L) Predicted organ-of-source with highest scores for cells shown in Figure 1, based on the
1237 reference atlas in (Cao et al. 2020).

1238

1239 **Figure S10. Spatial analysis of mesenchymal cell types in the developing human lungs by *in***
1240 ***situ* HCR assay and immunostaining.**

1241 (A) Vascular SMC 1 and 2 are surrounding arterial endothelial cells (*PECAMI*⁺, dashed line), each
1242 marked by *NTN4*⁺/*PLN*^{-low} (vSMC 1, arrows) and *NTN4*⁺/*PLN*^{+high} (vSMC 2, lines).

1243 (B) Dot plot describing differential gene expression between vascular SMC 1 and 2.

1244 (C) Vascular SMCs and adventitial fibroblasts in 17 pcw fetal lung. *NDUF4AL2*⁺ red/*NTRK3*⁺
1245 vSMCs (arrows) are surrounded by *NDUF4AL2*⁻/*NTRK3*⁺ adventitial fibroblasts (arrowheads).
1246 *PECAMI* (green) indicates an endothelial cell tube.

1247 (D) *FAMI62B*⁺ pericytes (red) are surrounding *PECAMI*⁺ endothelial cells (green) in the
1248 microvascular regions.

1249 (E) Dot plot describing differential marker gene expression level between alveolar, adventitial and
1250 airway fibroblasts.

1251 (F) Concept network visualisation of gene ontology (GO) analysis using clusterProfiler for
1252 differentially expressed genes in alveolar, adventitial and airway fibroblasts.

1253 (G-I) Immunostaining of fetal lung tissues at 11 (G), 15 (H), and 21 (I) pcw, to visualise
1254 myofibroblast populations: Myofibroblast-1 (G) and -2 (H) surrounding the developing stalk
1255 epithelial tubes, and Myofibroblast-3 (I) surrounding the developing air sacs. ACTA2⁺/PDGFRA⁺
1256 Myofibroblast-1 (THBD^{weak}; G) and -2 (THBD^{high}, arrows; H). PDGFRA⁺ Myofibroblast-3 at 21
1257 pcw, does not express ACTA2 (arrows; I).

1258 (J) Dot plot describing differential gene expression level between myofibroblast-2 and -3. The
1259 myofibroblast-2 population showed enriched expression of Wnt signalling associated genes, e.g.
1260 *NOTUM*, *LEF1*, and *DACH2*.

1261 (K) *In situ* HCR assay of 17 pcw fetal lung tissues. Myofibroblast-2 expresses *NOTUM* (red), a
1262 Wnt antagonist, to block local Wnt signals from alveolar fibroblasts (white, *WNT2*) to the stalk
1263 epithelium.

1264 DAPI, nuclei. Scale bars, 50 μ m.

1265

1266 **Figure S11. Signalling ligand-receptor interactions in the adventitial niche.**

1267 (A) Overview of predicted ligand–receptor interactions using CellPhoneDB in the adventitial
1268 niche. Dot plots visualise gene expression by cell type and dashed arrows indicate a predicted
1269 direction of signalling from ligands to receptors.

1270 (B) Visium spot transcriptome cluster map visualising signalling ligands expressed in the fetal
1271 lung tissues at 19 (upper) and 17 (lower) pcw. Scale bars denote 2.5 mm (upper) and 2 mm (lower),
1272 respectively.

1273

1274 **Figure S12. Global landscape of motif enrichment.**

1275 Top 5 enriched motifs in the marker peaks among all the cell types/states. Statistical significance
1276 is visualised as a heatmap according to the colour bar below.

1277

1278 **Figure S13. Transcription factor regulatory network controlling NE subtypes.**

1279 (A) Selected trajectory from Mid tip cells to *GHRL*⁺ NE cells via Intermediate NEs, a transition
1280 cell population.

1281 (B) Heatmap of genes differentially expressed along the trajectory.

1282 (C) Representative HCR images showing the transition between two types of NE cells. *GRP*
1283 (green), *NEUROD1* (red), *GHRL* (white). #1 labelled *GRP*⁺*NEUROD1*^{low}*GHRL*⁻ cells, which have
1284 just started the transition from *GRP*⁺ pulmonary NE/precursor cells. #2 labelled
1285 *GRP*^{low}*NEUROD1*⁺*GHRL*^{low} cells, in transition to *GHRL*⁺ NE cells. #3 labelled *GRP*⁻
1286 *NEUROD1*⁺*GHRL*⁺, *GHRL*⁺ NE cells. Right: Mean ± SEM of *NEUROD1*⁺ cell types. 11 pcw:
1287 N=2 fetal lungs, n = 129 *NEUROD1*⁺ cells; 12 pcw N=3 fetal lungs, n=132 *NEUROD1*⁺ cells.
1288 Scale bars = 25 μm in all panels.

1289 (D) Representative HCR images showing *NEUROG3* co-expression with *ASCL1* and *NEUROD1*.
1290 Dashed white lines label representative cells showing different combinations of the three
1291 transcription factors, further indicated by #1-#5 labelling. *ASCL1* (cyan), *NEUROG3* (red),
1292 *NEUROD1* (yellow).

1293 (E) Representative HCR images showing *RFX6* expression in *GHRL*⁺ NE cells. Dash yellow line
1294 labelled *GRP*⁺*RFX6*⁻ pulmonary NE cells. Scale bars = 25 μm in all panels.

1295

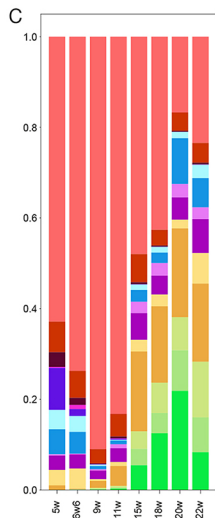
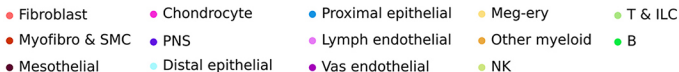
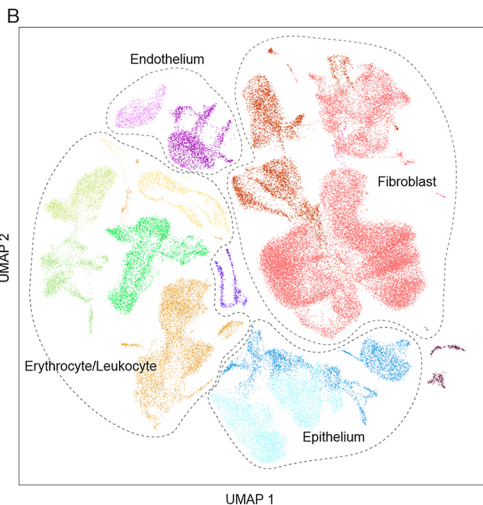
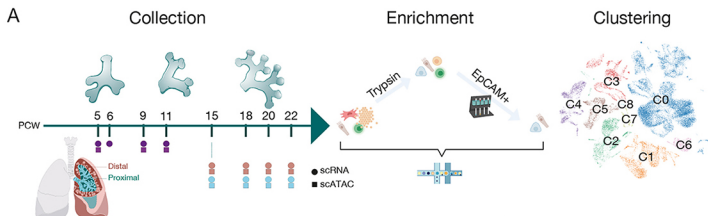
1296 **Figure S14. Validation of NE transcription factors using human fetal lung organoid system.**

1297 (A) Representative epifluorescent microscopic images showing organoid morphology after 3 days
1298 of mNeonGreen-3xNLS (control), *ASCL1*, or *NEUROD1* overexpression.

1299 (B) ScRNA-seq results of organoid transcription factor overexpression overlay on human fetal
1300 lung scRNA-seq as a reference.

1301 (C) scRNA-seq results of transcription factor overexpression; organoid data only in the UMAP.
1302 Selected transcription factor expression was shown in the middle panel. A regulatory network of
1303 the selected transcription factors were drawn based on the organoid OE data at the bottom of the
1304 panel. (Note that the arrows do not necessarily denote direct interactions).

Figure 1



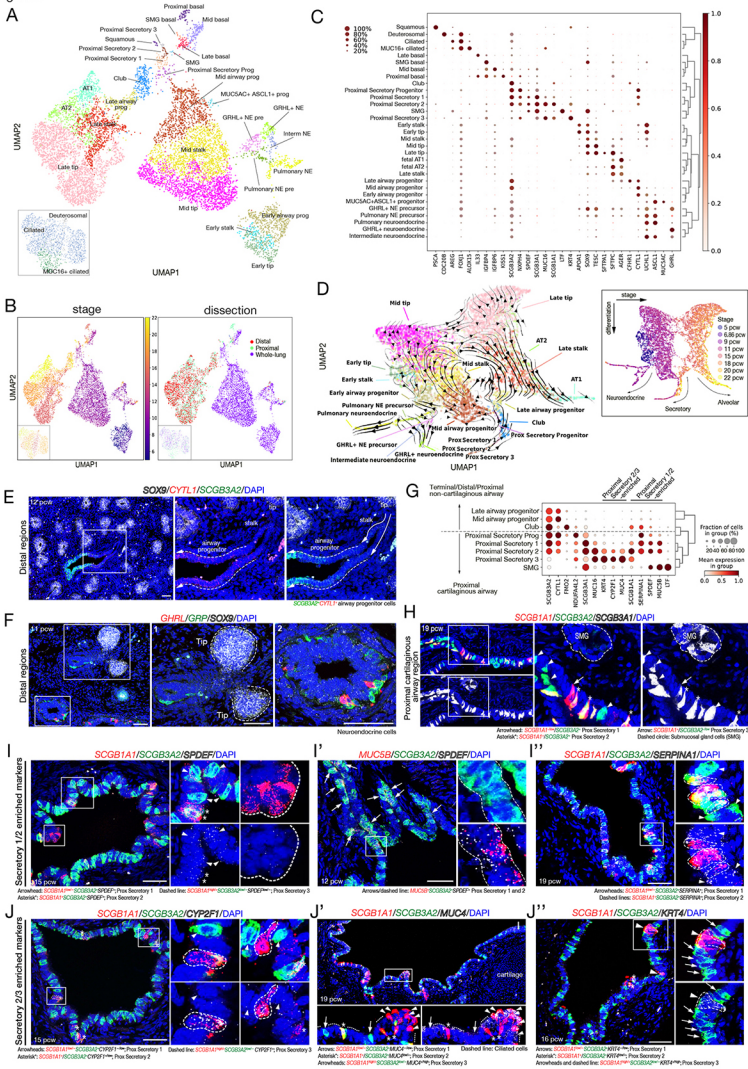


Figure 4

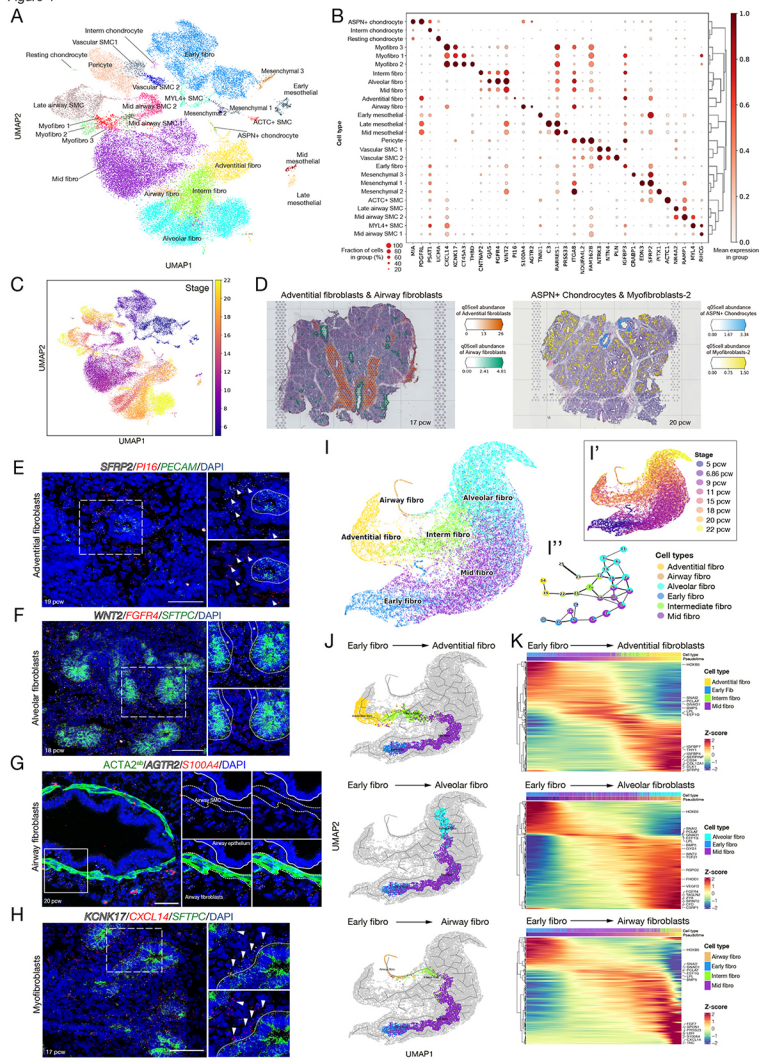
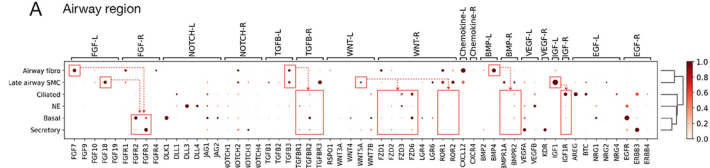
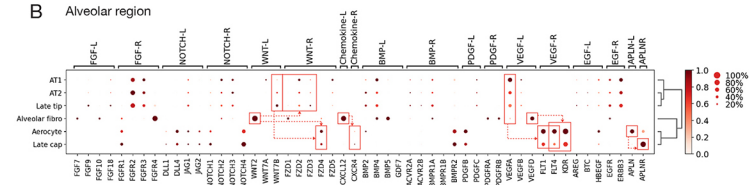


Figure 5

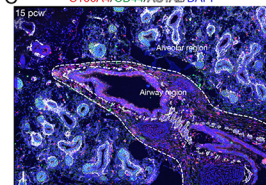
A Airway region



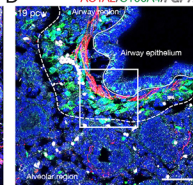
B Alveolar region



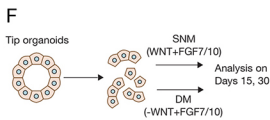
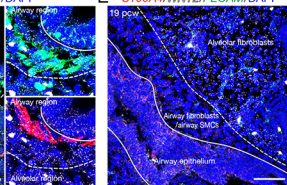
C S100A4/CD44/ACTA2/DAPI



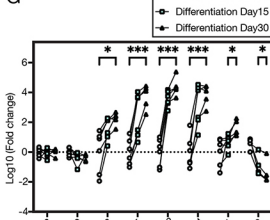
D ACTA2/S100A4/RGF7/DAPI



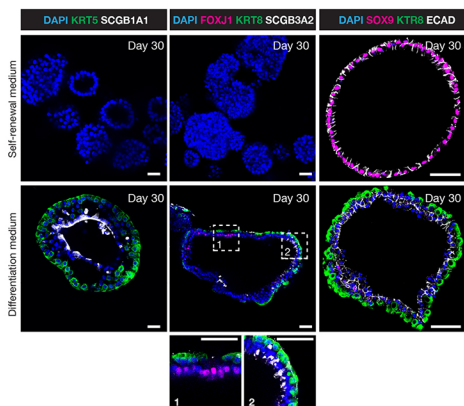
E S100A4/WNT2/PECAM/DAPI



G



H



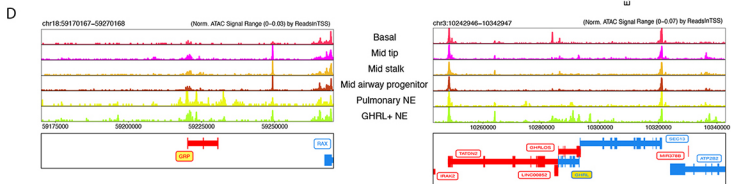
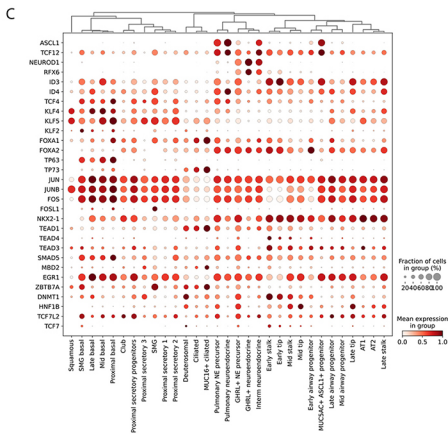
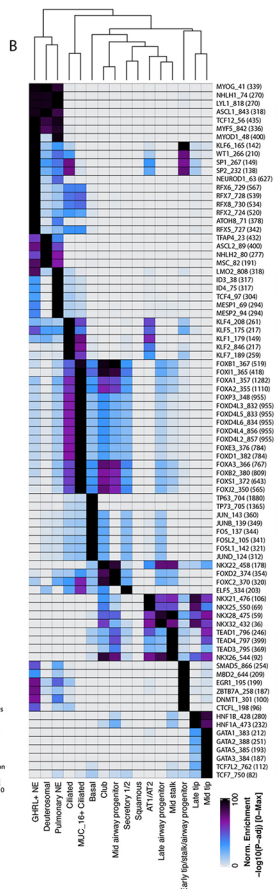
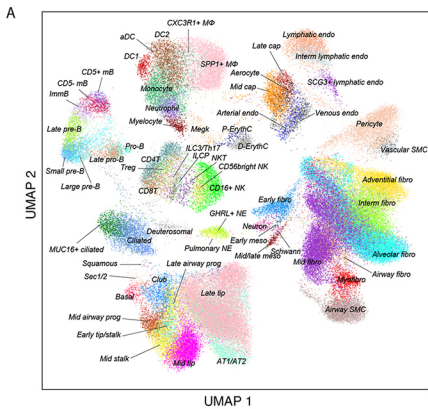
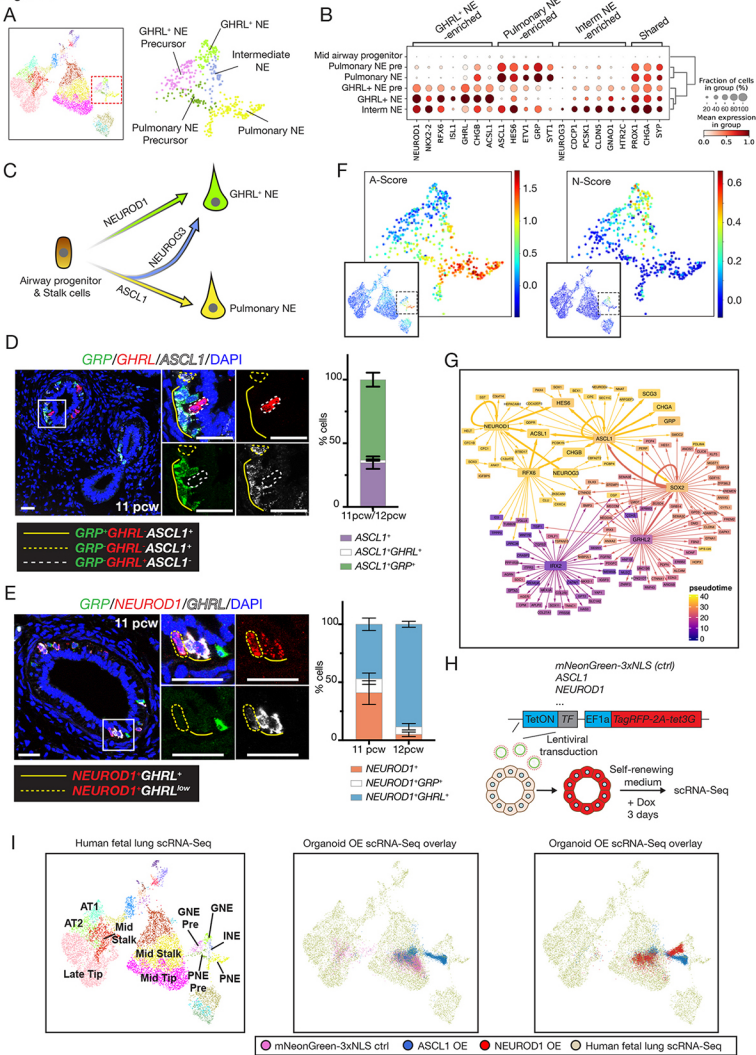
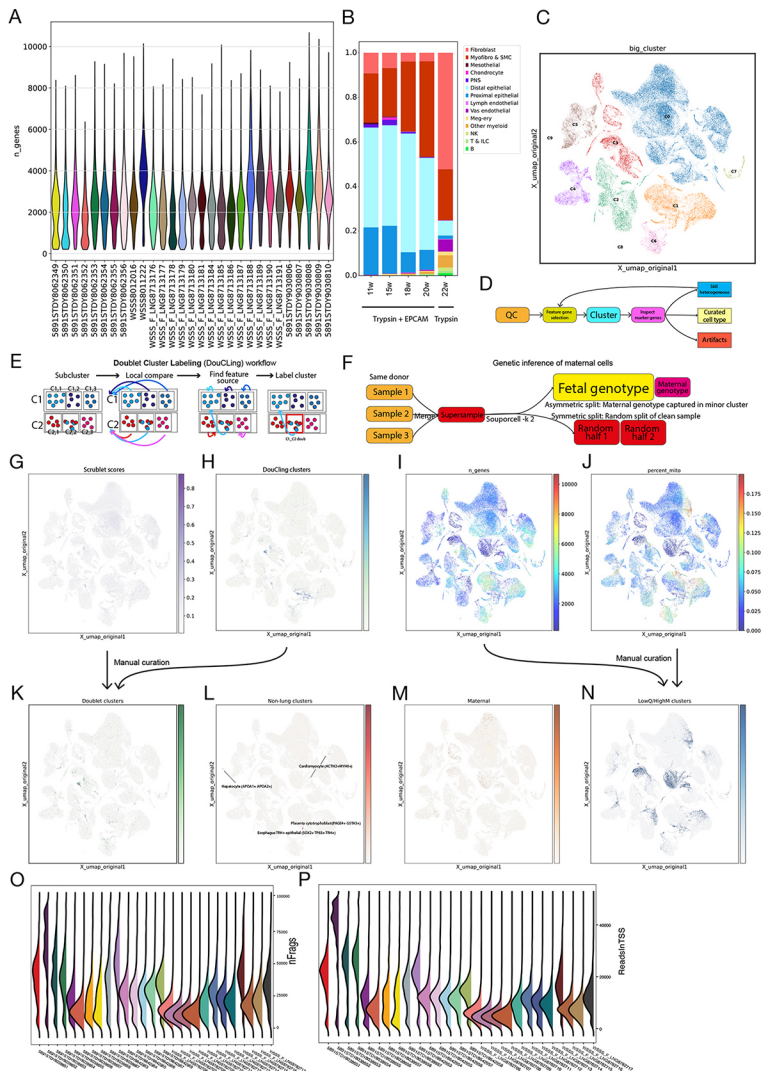
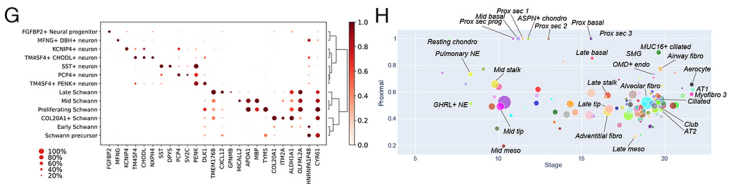
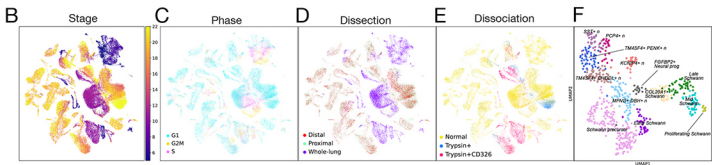
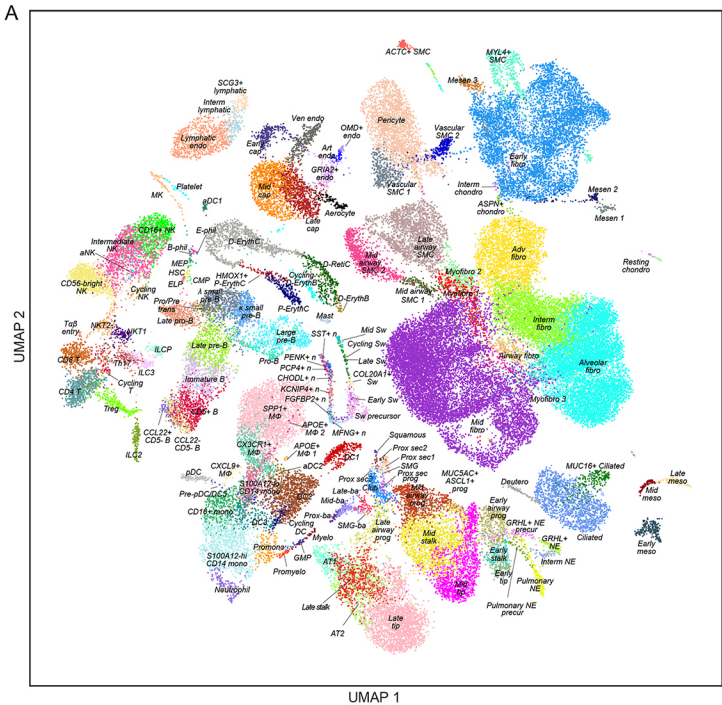


Figure 7







Human adult lungs

Mouse lungs

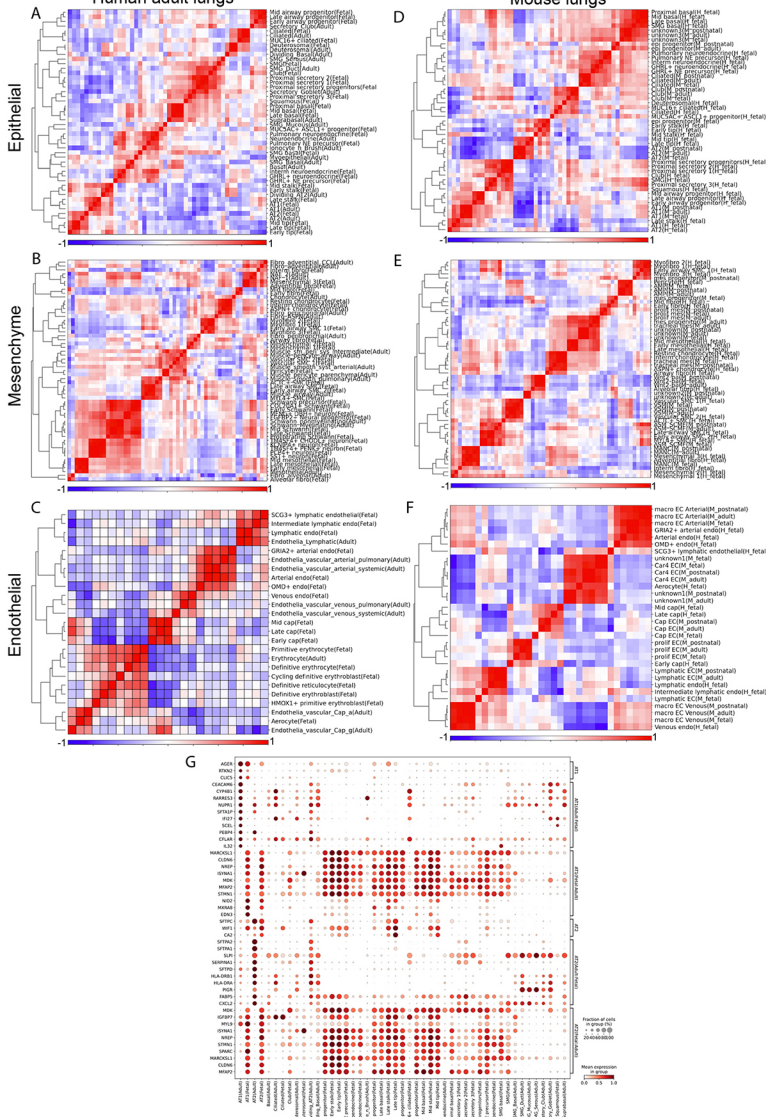
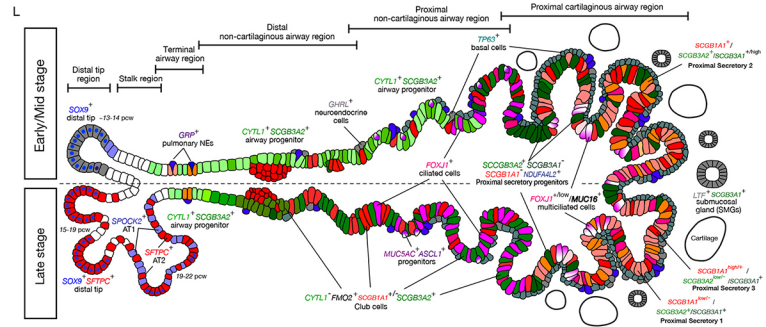
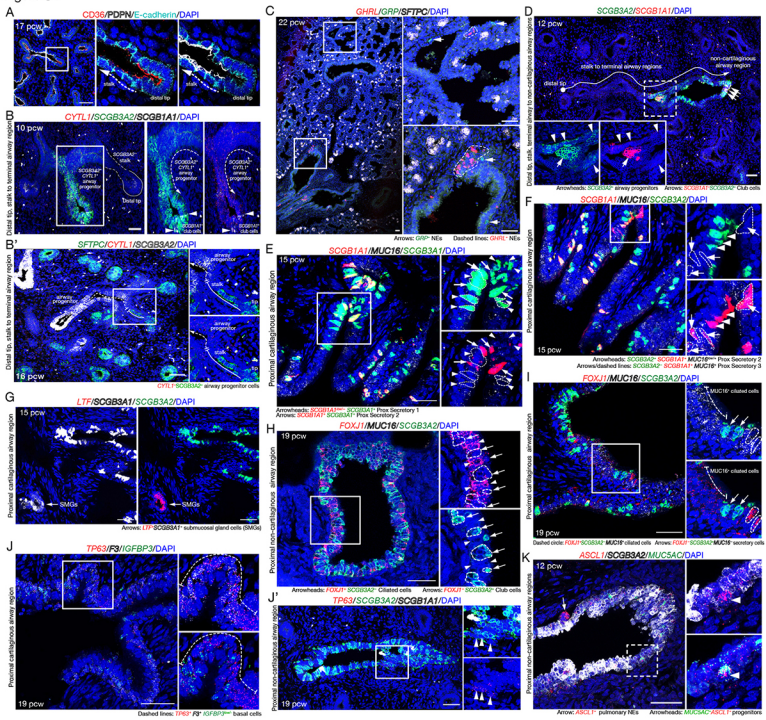
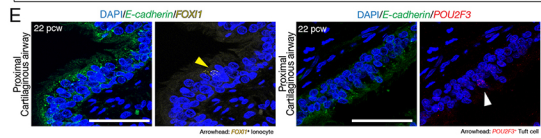
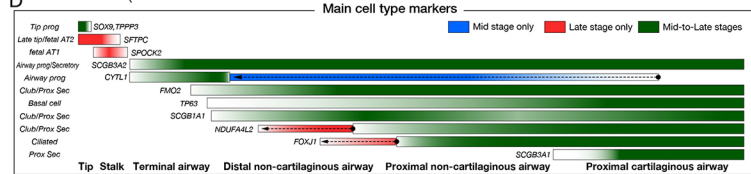
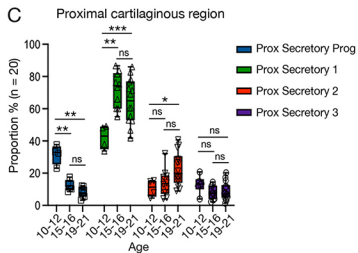
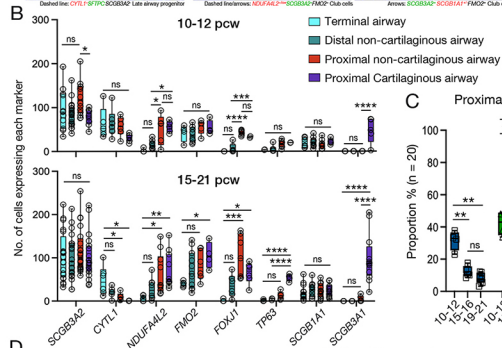
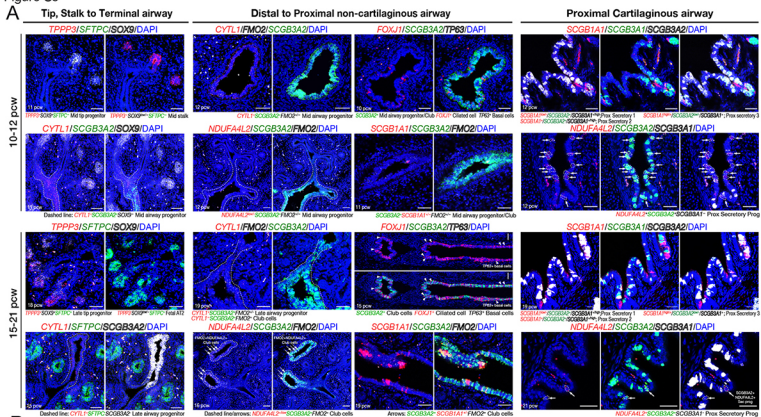


Figure S4





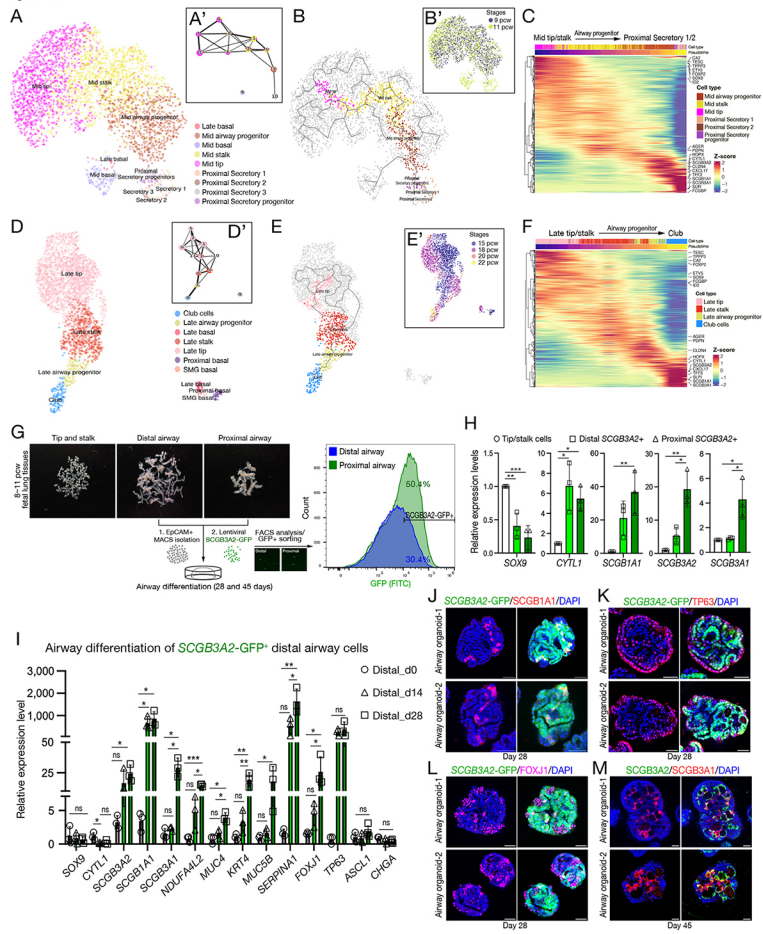
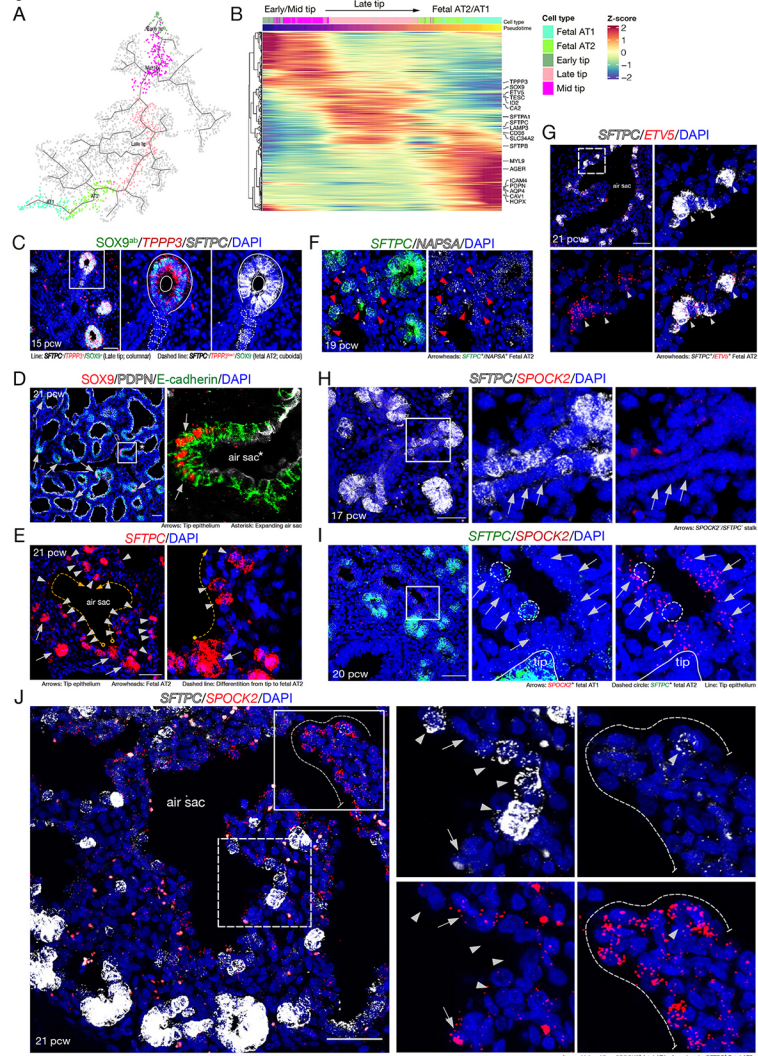


Figure S7



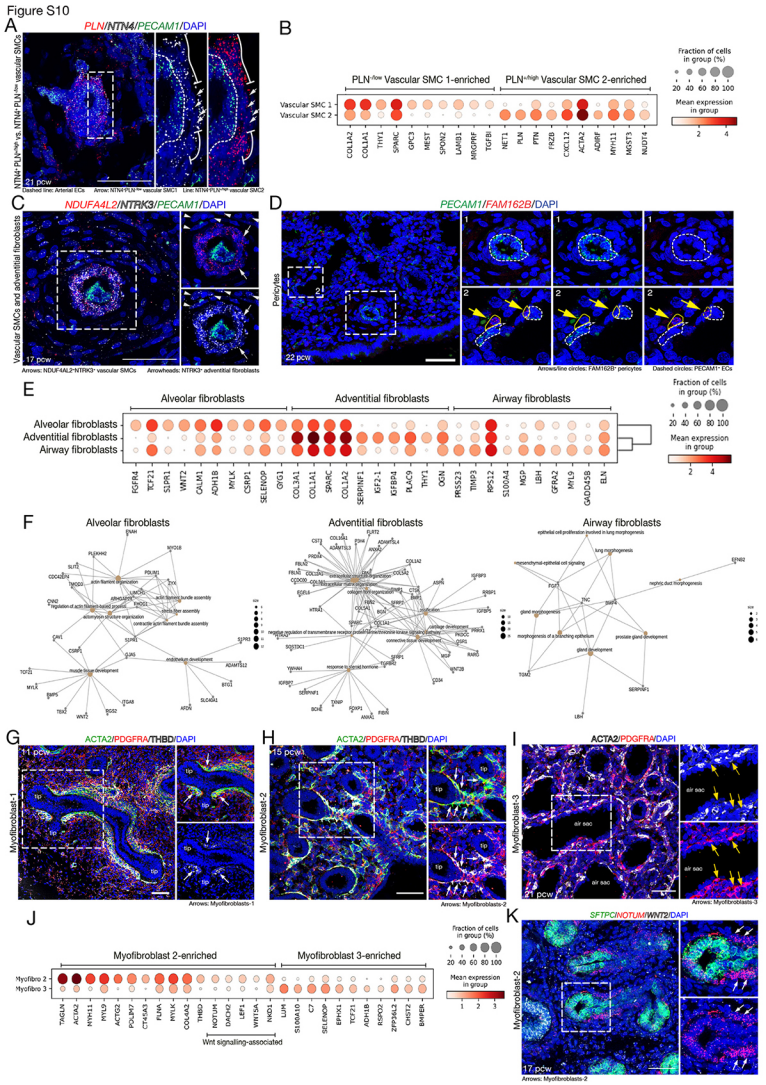
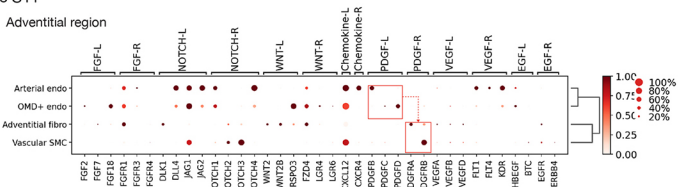


Figure S11

A Adventitial region



B

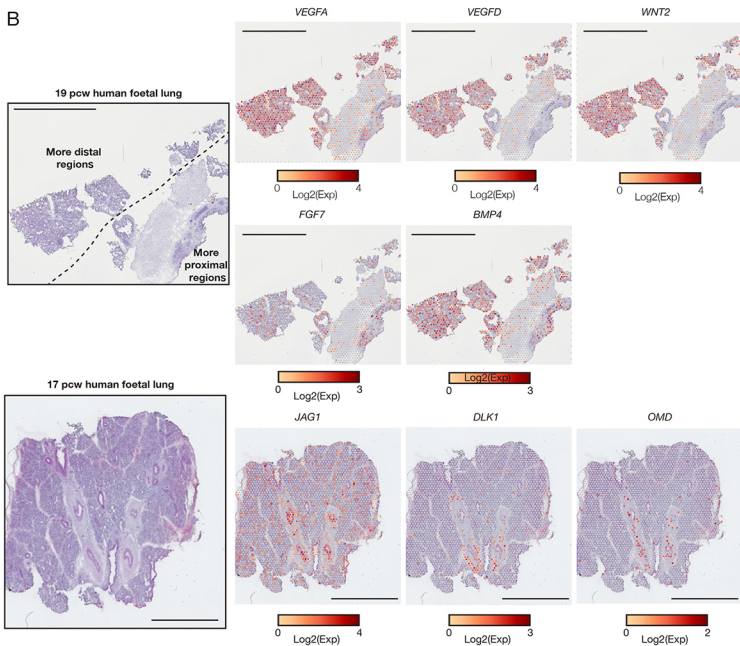
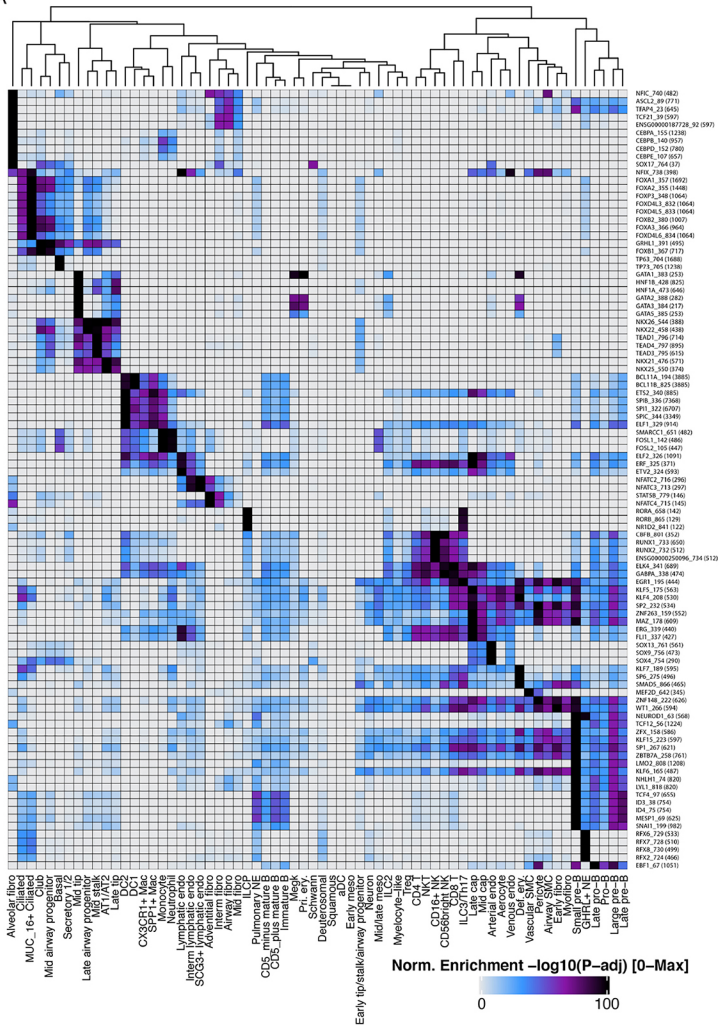
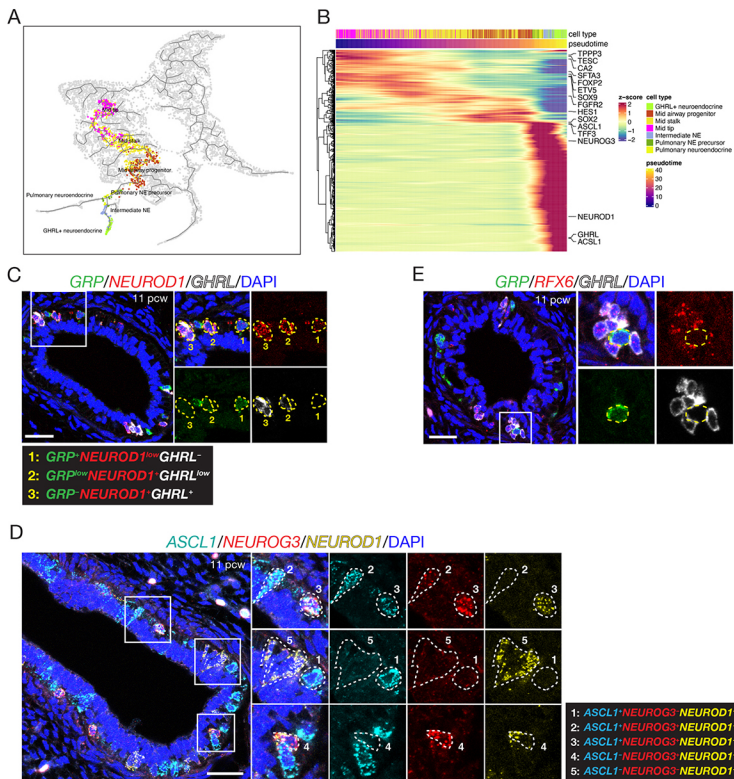


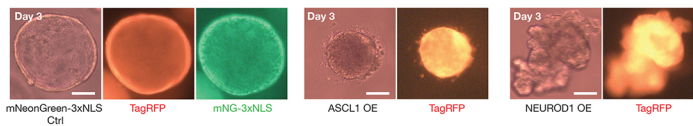
Figure S12

A



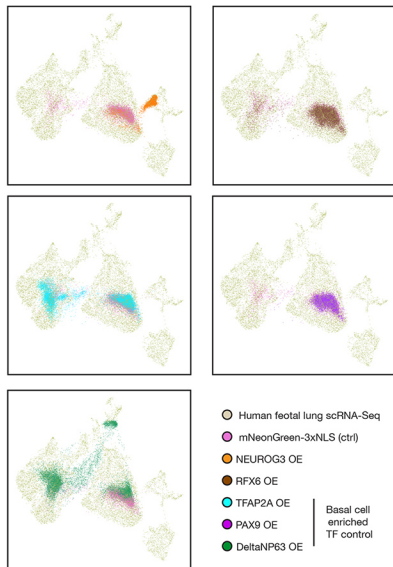


A



B

Organoid OE overlay on in vivo scRNA-Seq



C

Organoid OE scRNA-Seq alone

