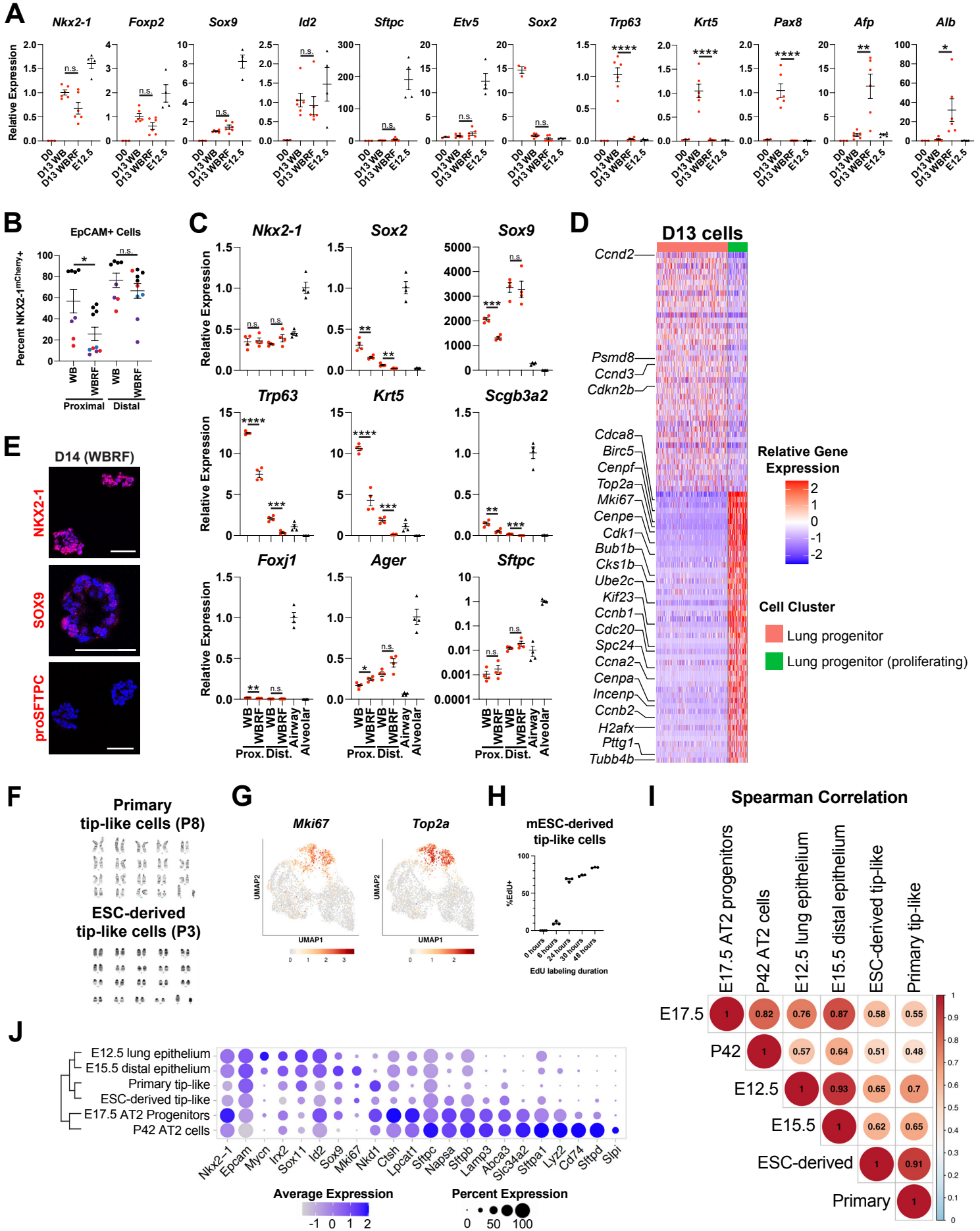


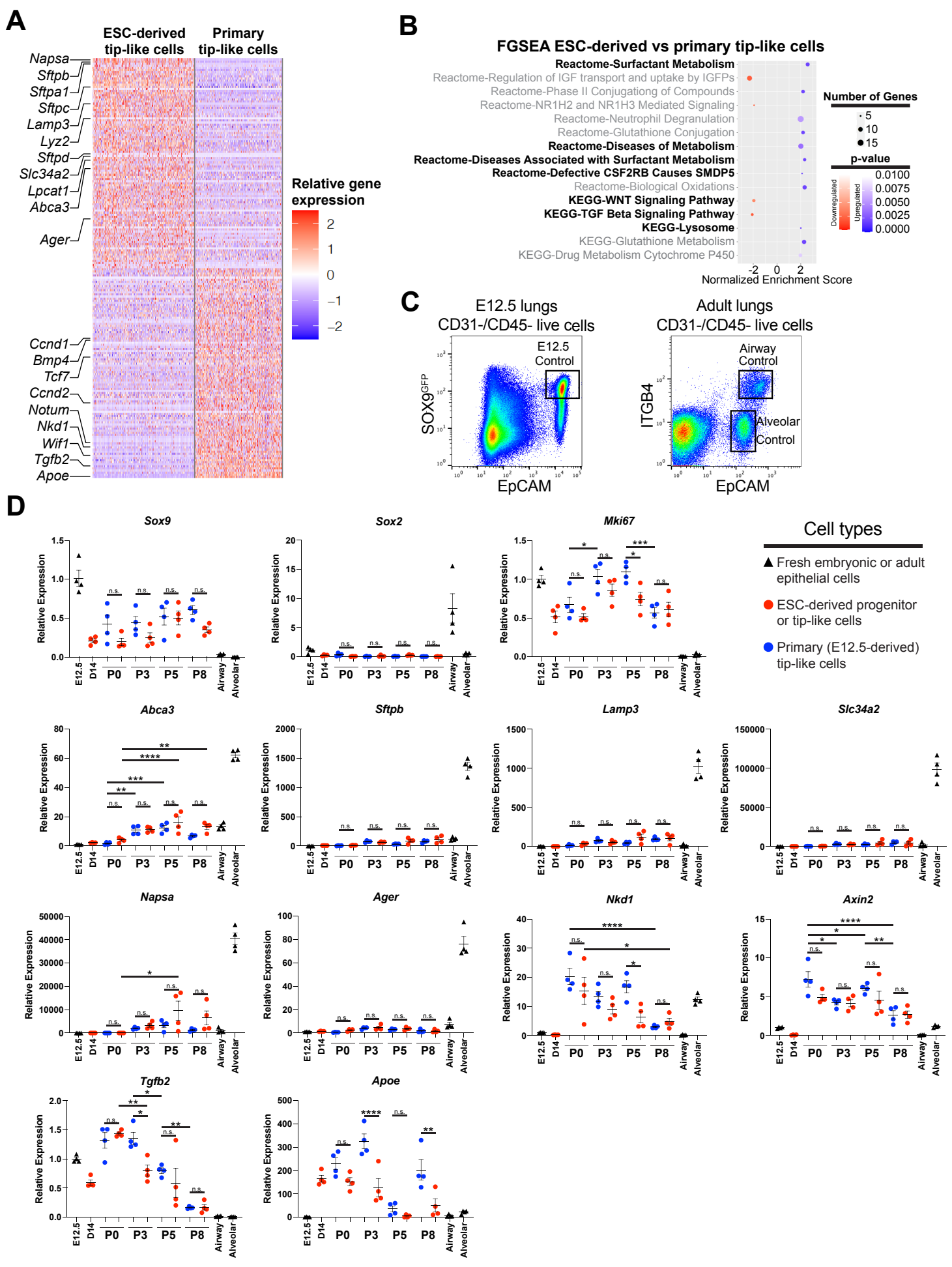
Fig. S1



Supplemental Figure 1: Characterization of ESC-derived Lung Epithelial Progenitors and ESC-derived Tip-like Cells, Related to Figures 1, 2

- (A) Analysis of gene expression by RT-qPCR at day 13 of WB and WBRF lung specification protocols compared to ESCs (D0) and freshly collected E12.5 SOX9⁺ epithelium. n.s. not significant, * $p < 0.05$, ** $p < 0.01$, **** $p < 0.0001$ by unpaired, two-tailed Student's t-test. n= 3, 6, 6, 4 biological replicates. Error bars = mean +/- SEM.
- (B) The percent of cells that were NKX2-1^{mCherry+} based on specification (WB vs WBRF) and differentiation (Proximal vs Distal) protocols. Dot color indicates biological replicates performed in the same batch. n.s. not significant, * $p < 0.05$ by one-way ANOVA. n= 8, 10, 8, 10 biological replicates. Error bars = mean +/- SEM.
- (C) RT-qPCR analysis of gene expression in day 26 NKX2-1^{mCherry+} cells of proximal and distal differentiation protocols. Cultured cells were compared to freshly collected epithelial cells from adult mouse lungs (Airway and Alveolar). n.s. not significant, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$, **** $p < 0.0001$ by unpaired, two-tailed Student's t-test. n= 4 biological replicates. Error bars = mean +/- SEM.
- (D) Row-normalized heatmap of the top 50 most up-regulated and top 50 most down-regulated genes (with adj. p-value < 0.05 , ordered by logFC) between the clusters Lung progenitor and Lung progenitor (proliferating) in day 13 of the WBRF specification protocol. Annotated genes are associated with proliferation.
- (E) Representative immunofluorescence confocal microscopy of paraffin tissue sections prepared from day 14 cells cultured in the WBRF specification protocol. Staining performed with antibodies against NKX2-1, SOX9, or proSFTPC. Nuclei stained with Hoechst, scale bars are 200um.
- (F) Representative G-banding indicates karyotypically normal primary and ESC-derived tip-like cells.
- (G) UMAP plots displaying expression of *Mki67* and *Top2a* in primary and ESC-derived tip-like cells.
- (H) Percent EdU labeling of ESC-derived tip-like cells with different durations of EdU labeling prior to collection.
- (I) Spearman Correlation using the top 1000 most variable genes when comparing ESC-derived tip-like cells, primary tip-like cells, and primary distal lineages³⁶.
- (J) Hierarchical clustering of cell populations from figure S11 based on expression of lung epithelial markers and AT2 differentiation markers.

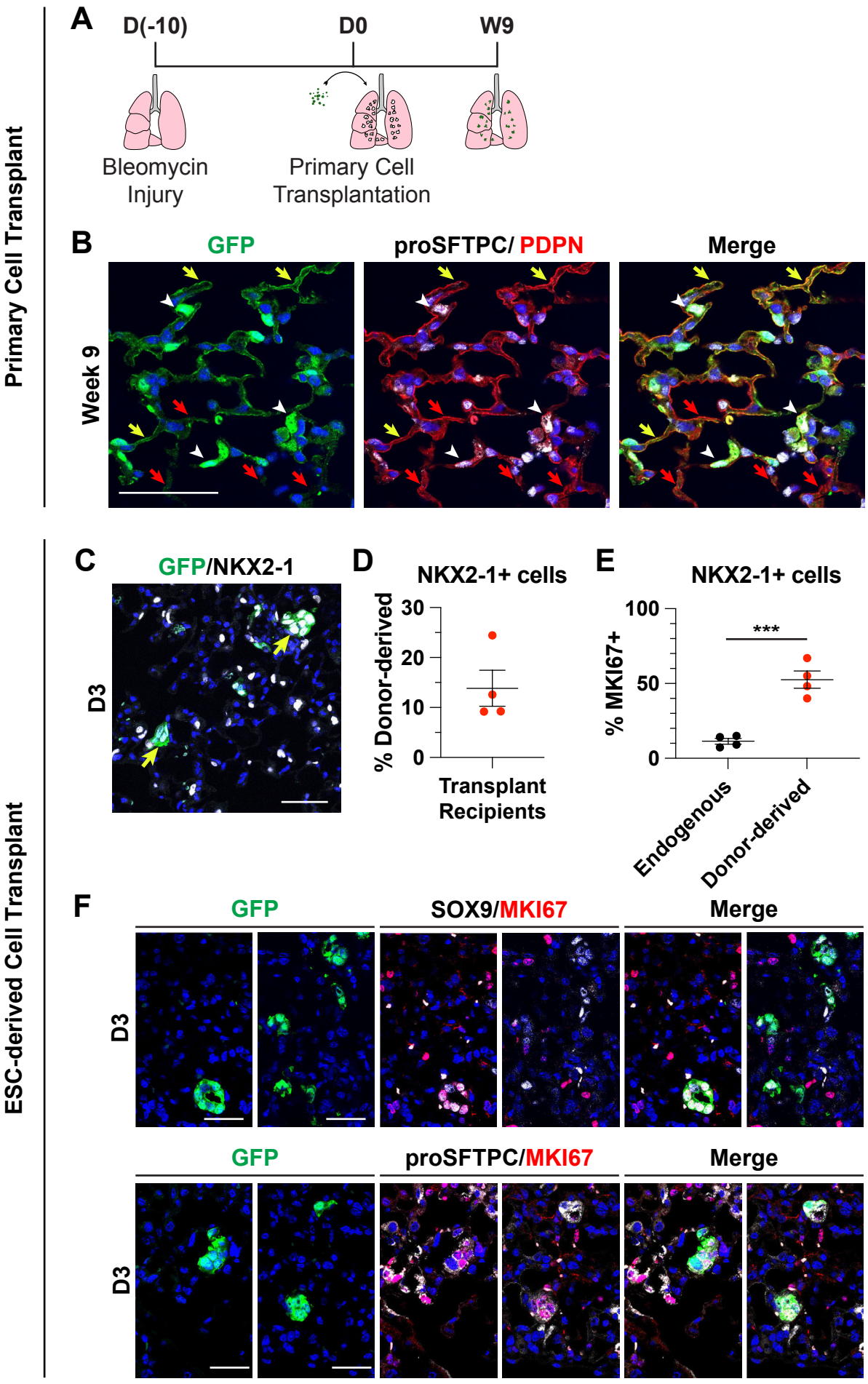
Fig. S2



Supplemental Figure 2: Transcriptomic Analysis of ESC-derived and Primary Tip-like Cells, Related to Figure 2

- (A) Row-normalized heatmap of the top 100 most up-regulated and top 100 most down-regulated genes (with adj. p-value <0.05, ordered by logFC) between ESC-derived and Primary Tip-like Cells. Annotated genes are associated with surfactant metabolism or signaling pathways identified in supplemental figure 3B.
- (B) FGSEA-identified Reactome and KEGG categories that are differentially regulated between ESC-derived and primary tip-like cells. The highlighted categories contain genes associated with AT2 function or prominent signaling pathways in lung development. Shown here are the 15 categories with the lowest p-value, a full list can be found in Table S2.
- (C) Representative gating used to collect E12.5 SOX9+ epithelial cells and adult epithelial cells as primary controls for RT-qPCR.
- (D) Analysis of gene expression by RT-qPCR. Primary and ESC-derived tip-like cells from multiple passages are compared against lung epithelial progenitors from day 14 of the WBRF protocol (D14) and freshly sorted lung epithelial cells from embryonic (E12.5) and adult (Airway and Alveolar) mouse lungs. n.s. not significant, * p<0.05, ** p<0.01, *** p<0.001, **** p<0.0001 by one-way ANOVA. n= 4 biological replicates. Error bars = mean +/- SEM.

Fig. S3

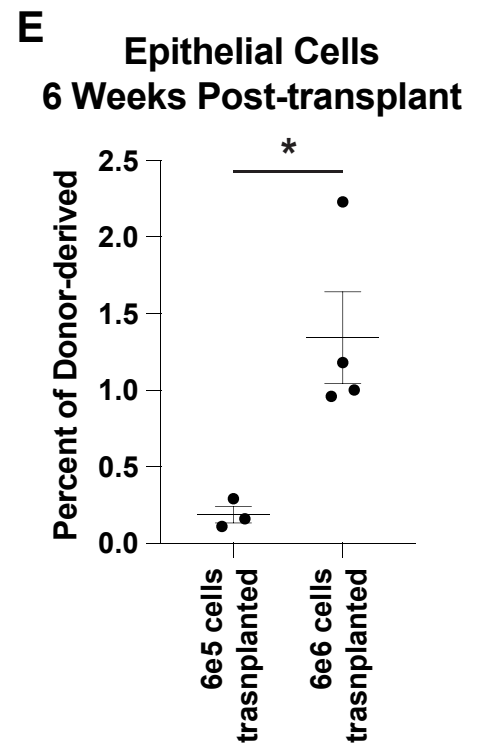
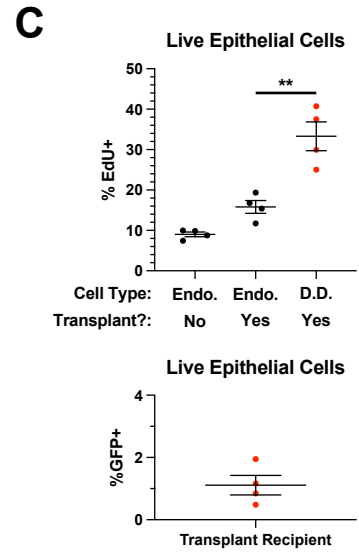
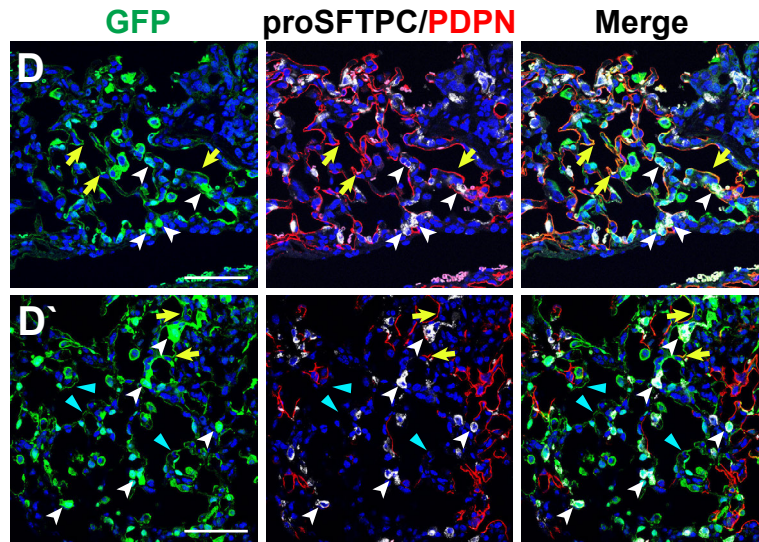
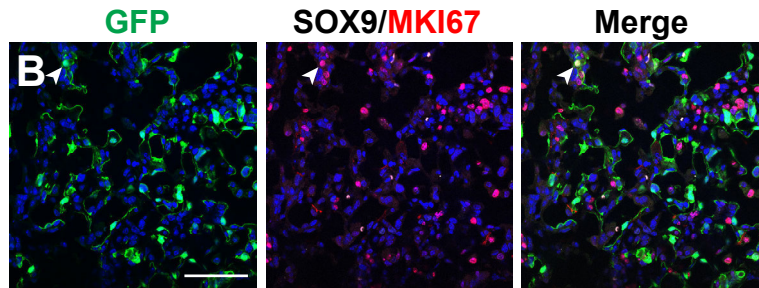
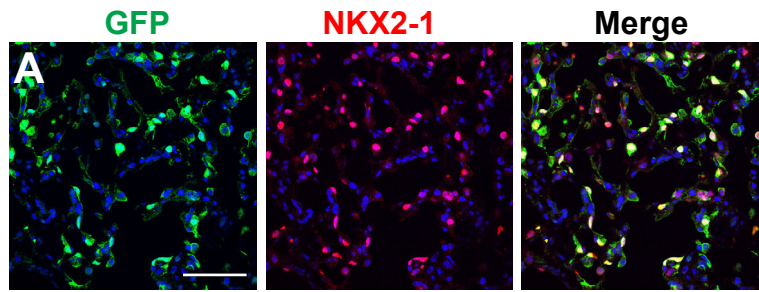


Supplemental Figure 3: Transplantation of Primary Tip-like cells into an Immunocompetent Recipient and Progenitor State of ESC-derived Tip-like Cells at 3 Days Post Transplantation, Related to Figure 3

- (A) Schematic for transplantation of GFP+ primary cells into bleomycin injured lungs with later histological assessment of recipient lungs.
- (B) Representative immunofluorescence confocal microscopy of donor-derived cells at 9 weeks post-transplantation with antibodies detecting GFP, proSFTPC, and PDPN. White arrowheads indicate cuboidal proSFTPC+/GFP+ cells and yellow arrows indicate thin PDPN+/GFP+ cells. Nuclei stained with Hoechst, scale bar is 50um.
- (C) Representative immunofluorescence confocal microscopy of lung tissue sections containing donor-derived cells at 3 days post-transplantation. Sections stained with antibodies detecting GFP and NKX2-1. Yellow arrows indicate representative GFP+/NKX2-1+ cells. Nuclei stained with Hoechst, scale bar is 50um.
- (D) Percent of NKX2-1+ cells that were GFP+ donor-derived cells in analyzed confocal images from 3 days post-transplantation.
- (E) Percent of endogenous and donor-derived NKX2-1+ cells that expressed MKI67.
- (F) Representative immunofluorescence confocal microscopy of lung tissue sections containing donor-derived cells at 3 days post-transplantation. Sections stained with antibodies detecting GFP, proSFTPC, SOX9, and MKI67. Nuclei stained with Hoechst, scale bars are 25um.

Fig. S4

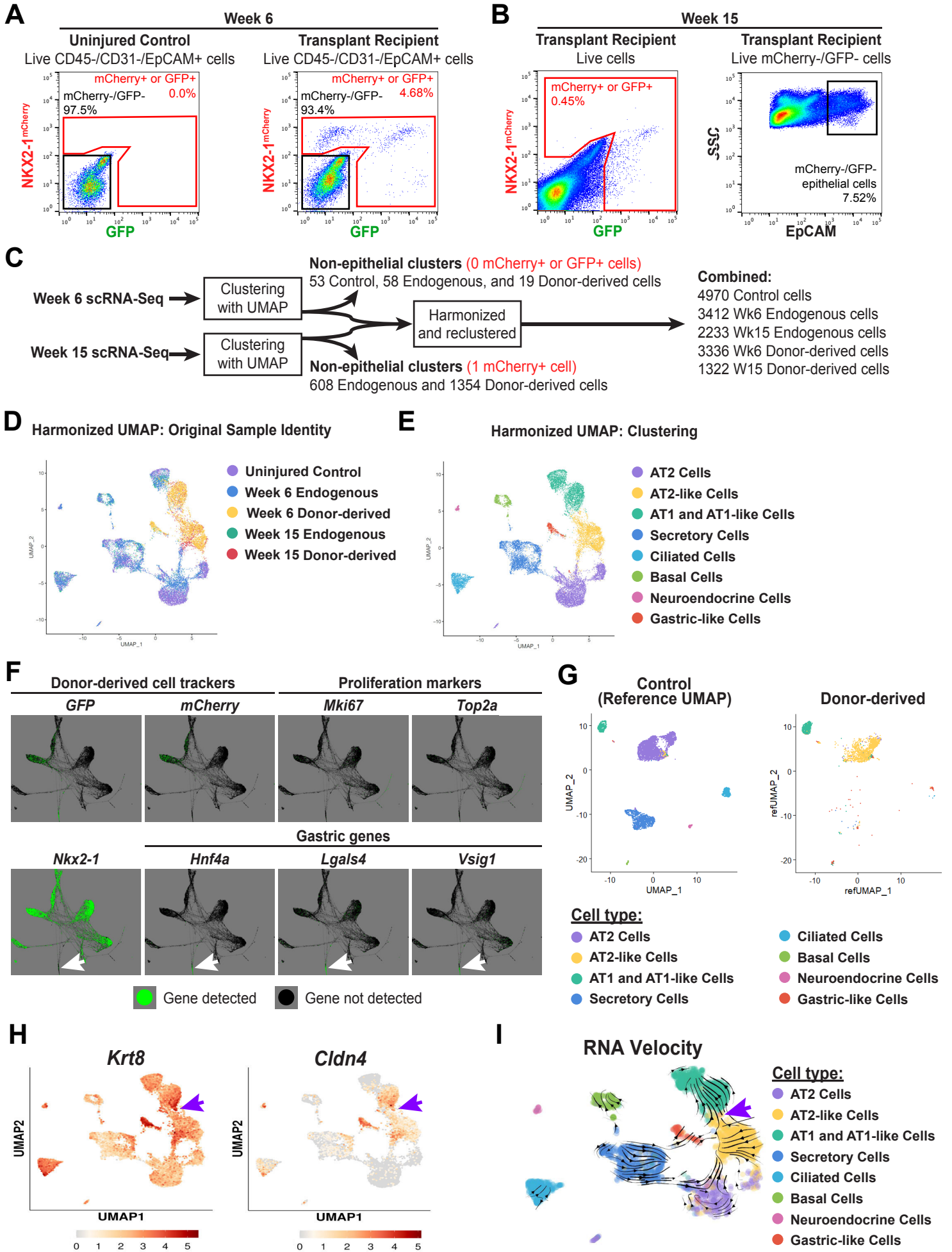
2 weeks



Supplemental Figure 4: Donor-derived Cells Have Differentiated and Become Less Proliferative by 2 Weeks Post-transplantation, Related to Figure 3

- (A) Representative immunofluorescence confocal microscopy of lung tissue sections indicating donor-derived cells (GFP+) at 2 weeks post-transplantation of ESC-derived tip-like cells. The majority of GFP+ donor-derived cells are NKX2-1+. Nuclei stained with Hoechst, scale bars are 50um.
- (B) At this time point donor-derived cells are SOX9- and only a small fraction are MKI67+ (white arrowhead). Nuclei stained with Hoechst, scale bars are 50um.
- (C) Percent EdU labeling of endogenous and donor-derived cells for the first 2 weeks following transplantation of ESC-derived tip-like cells or media only and the percent of EdU+ cells that were GFP+. Lobes were pruned down to regions containing GFP+ cells, or similar regions in no transplant controls, prior to digestion into single cell suspension. Endo. = endogenous, D.D. = donor-derived. ** = p. value < 0.01 by unpaired, two-tailed Student's t-test. n= 4 biological replicates. Error bars = mean +/- SEM.
- (D) At this time point donor-derived cells include both cuboidal proSFTPC+ (white arrowheads) and thin PDPN+ (yellow arrows) donor-derived cells. Some donor-derived clusters (D') are primarily composed of cuboidal proSFTPC+ (white arrowheads) and thin PDPN- cells (blue triangles). Nuclei stained with Hoechst, scale bars are 50um.
- (E) Flow cytometry quantitation of the percent of live epithelial (EpCAM+/CD45-/CD31-) cells that are donor-derived in whole lungs 6 weeks after transplantation of 6e5 or 6e6 ESC-derived tip-like cells. * = p. value < 0.05 by unpaired, two-tailed Student's t-test. n= 3,4 biological replicates. Error bars = mean +/- SEM.

Fig. S5



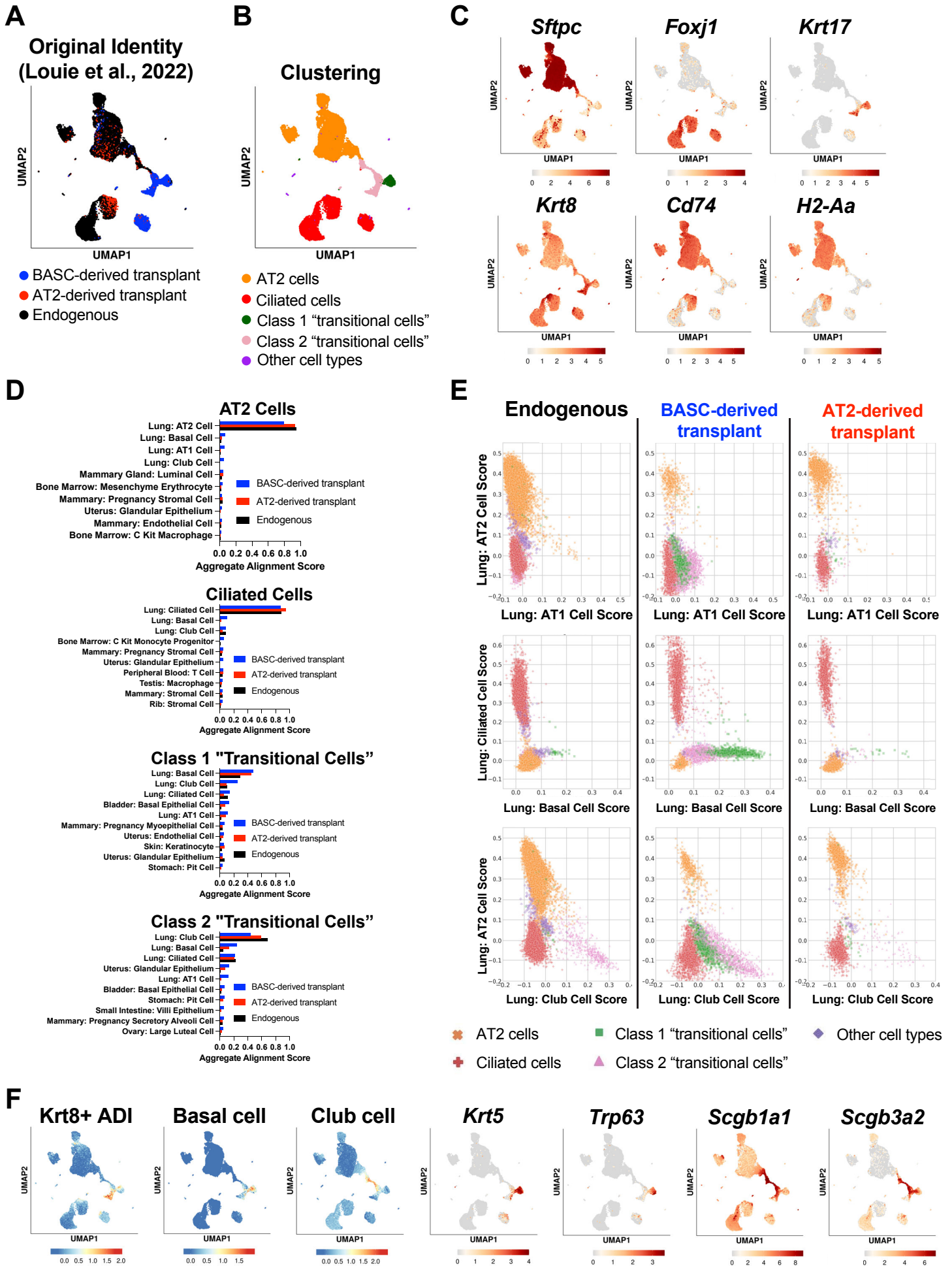
Supplemental Figure 5: Sort Purification and Identification of Endogenous and Donor-derived Cell Types, Related to Figure 4

- (A) Gating for FACS-based collection of endogenous (mCherry-/GFP-) and donor-derived (mCherry+ or GFP+) lung epithelial cells from an uninjured control and a transplant recipient at 6 weeks post-transplantation of ESC-derived tip-like cells.
- (B) Gating for FACS-based collection of endogenous epithelial (mCherry-/GFP-/EpCAM+) and donor-derived (mCherry+ or GFP+) cells at 15 weeks post-transplantation of ESC-derived tip-like cells.
- (C) Pipeline for analysis of scRNA-seq data including exclusion of non-epithelial lineages based on minimal presence of true donor-derived cells in these populations.
- (D) Epithelial cells from both timepoints were combined using harmonization to generate a single UMAP plot.
- (E) Cells were clustered using the Louvain algorithm followed by combining overlapping clusters. Clusters were then identified based on cell type signatures outlined in Table S3.
- (F) SPRING plots indicating cells with detectable expression of *GFP*, *mCherry*, proliferation markers, *Nkx2-1*, and gastric genes in endogenous and donor-derived cells at 6 and 15 weeks post-transplantation. See figure 4 for annotation of SPRING plot by sample origin or cell type. White arrows indicate the gastric-like cells.
- (G) Multimodal reference mapping using samples from figure S5D, E and figure 4. Donor-derived cells are mapped onto the reference created from the uninjured control.
- (H) UMAP of combined cell transplantation samples from S5D, E and figure 4 displaying expression of transitional cell markers. The purple arrow indicates a subpopulation high for transitional cell markers.
- (I) RNA velocity analysis of endogenous and donor-derived cells from figure S5E.

Supplemental Figure 6: Primary and ESC-derived Tip-like Cell Transplants Give Rise to Transcriptionally Similar Donor-derived Cells, Related to Figure 5, 6

- (A) SPRING plot of data generated from scRNA-seq of parallel ESC-derived and primary tip-like cell transplant recipients at 8 weeks post-transplant.
- (B) Cell-type annotation of clusters based on supervised Louvain clustering and expression of lung epithelial cell signatures.
- (C) Expression of AT2 and AT1 cell signatures. Gene sets comprising each signature can be found in Supplementary Table 3.
- (D) Expression of MHC-II genes in donor-derived (red) and endogenous (black) cells.
- (E) Expression of AT2 genes in donor-derived (red) and endogenous (black) cells.
- (F) Expression of AT1 genes in donor-derived (red) and endogenous (black) cells.
- (G) The top ten aggregate alignment scores for donor-derived AT2-like cells and the corresponding scores for endogenous AT2 cells. The top ten aggregate alignment scores for donor-derived AT1-like cells and the corresponding scores for endogenous AT1 cells. All reference cell types are from adult mice (Mouse Cell Atlas or Control sample as delineated in Figure 4)⁵⁰.
- (H) Individual alignment scores for all donor-derived and endogenous epithelial cells against reference adult lung AT1 and AT2 cells. Each cell is annotated based on sample type. See also Tables S8-S11.

Fig. S7



Supplemental Figure 7: Transplantation of cultured adult lung epithelial cells gives rise to mature AT2 cells and non-alveolar epithelial lineages, Related to Figure 5, 6

- (A) UMAP of combined cell transplantation samples from (Louie et al., 2022)¹⁵.
- (B) UMAP with annotation of cell types based on supervised Louvain clustering and expression of marker genes.
- (C) UMAP plots displaying expression of the indicated genes.
- (D) The top ten aggregate alignment scores for donor-derived AT2 cells following a BASC-derived transplant as well as the corresponding scores for donor-derived AT2 cells following a AT2-derived transplant and endogenous AT2 cells. Similar graphs are shown for ciliated cells and “transitional cells”. All reference cell types are from adult mice (Mouse Cell Atlas or Control sample as delineated in Figure 4)⁵⁰.
- (E) Individual alignment scores for all donor-derived and endogenous epithelial cells against the indicated reference cells. Each cell is annotated (by color and shape shown in the key below the graphs) based on cell type as determined in figure S7B.
- (F) UMAP plots displaying expression of cell type signature (top 30 DEGs for each cell type)³⁹ or the indicated gene.

Supplemental Table 3: Lung Epithelial Cell Type Gene Signatures, Related to Figure 4

AT1 Cell Gene Signature	AT2 Cell Gene Signature	Ciliated Cell Gene Signature	Secretory Cell Gene Signature	Basal Cell Gene Signature	Neuroendocrine Gene Signature
Ager	Abca3	1110017D15Rik	5330417C22Rik	Apoe	Nov
Akap5	Acot7	1700001C02Rik	Acsm1	Dcn	Resp18
Aqp5	Acox1	1700007K13Rik	Aldh1a7	Dapl1	Ascl1
Cldn18	Acsl4	1700016K19Rik	Cckar	Aqp3	Scg5
Clic3	Ank3	Ak7	Cldn10	Krt5	Chgb
Clic5	Atp8a1	BC051019	Cyp2f2	Krt15	Pcsk1
Col4a3	Cd74	Ccdc113	Fmo3	Fxyd3	Calca
Col4a4	Cebpa	Ccdc153	Gabrp	Ltbp4	Meis2
Cryab	Cpm	Cfap126	Gpx2	Dlk2	Nnat
Cyp2b10	Ctsh	Cfap45	Gsta2	Trp63	Cplx2
Emp2	Cxcl15	Cfap53	Gsta4	Wnt4	Cd9
Fam189a2	Dram1	Cyp2s1	Hp	Krt17	Piezo2
Gprc5a	Egfl6	Dnali1	lyd	Tpt1	Col8a1
Hopx	Elovl1	Drc1	Kcnk2	Tmem176b	Pnmal2
Hs2st1	Etv5	Fam183b	Ldhb	Dst	Cdc14b
Igfbp2	Fabp5	Foxj1	Lrrc26	Col17a1	Pkib
Krt7	Fasn	Gm867	Lypd2	Aqp4	Tmem158
Lmo7	Hc	Lrriq1	Mgat3	Hcar2	Ptn
Mal2	Lamp3	Mlf1	Mgst1	Defb1	Hist3h2ba
Pdpm	Lgi3	Mns1	Pigr	Spon2	Pcsk1n
Prdx6	Lpcat1	Nme5	Pon1		
Pxdc1	Lyz2	Nme9	Por		
Rtkn2	Mlc1	Pifo	Rassf9		
Scnn1g	Muc1	Riad1	Reep6		
Spock2	Napsa	Rsph1	Retnla		
Tspan8	Npc2	Smim5	Scgb1a1		
Vegfa	Ppp1r14c	Sntn	Scgb3a2		
	S100g	Spaca9	Selenbp1		
	Scd1	Tekt1	Slc16a11		
	Sfta2		Wfdc2		
	Sftpa1				
	Sftpb				
	Sftpc				
	Sftpd				
	Slc34a2				
	Zdhhc3				

This table contains lists of genes that are selectively upregulated in the predominant lung epithelial cell types and were used to generate cell type gene expression signatures used to identify cell types in scRNA-seq datasets. See the methods section for cutoffs used to generate these lists.