

## Reporting Summary

Nature Portfolio wishes to improve the reproducibility of the work that we publish. This form provides structure for consistency and transparency in reporting. For further information on Nature Portfolio policies, see our [Editorial Policies](#) and the [Editorial Policy Checklist](#).

Please do not complete any field with "not applicable" or n/a. Refer to the help text for what text to use if an item is not relevant to your study.

For final submission: please carefully check your responses for accuracy; you will not be able to make changes later.

## Statistics

For all statistical analyses, confirm that the following items are present in the figure legend, table legend, main text, or Methods section.

- n/a      Confirmed
- ☒ The exact sample size ( $n$ ) for each experimental group/condition, given as a discrete number and unit of measurement
  - ☒ A statement on whether measurements were taken from distinct samples or whether the same sample was measured repeatedly
  - ☒ The statistical test(s) used AND whether they are one- or two-sided  
*Only common tests should be described solely by name; describe more complex techniques in the Methods section.*
  - ☒ A description of all covariates tested
  - ☒ A description of any assumptions or corrections, such as tests of normality and adjustment for multiple comparisons
  - ☐
  - ☐ A full description of the statistical parameters including central tendency (e.g. means) or other basic estimates (e.g. regression coefficient) AND variation (e.g. standard deviation) or associated estimates of uncertainty (e.g. confidence intervals)
  - ☒ For null hypothesis testing, the test statistic (e.g.  $F$ ,  $t$ ,  $r$ ) with confidence intervals, effect sizes, degrees of freedom and  $P$  value noted  
*Give  $P$  values as exact values whenever suitable.*
  - ☒ For Bayesian analysis, information on the choice of priors and Markov chain Monte Carlo settings
  - ☒ For hierarchical and complex designs, identification of the appropriate level for tests and full reporting of outcomes
  - ☒ Estimates of effect sizes (e.g. Cohen's  $d$ , Pearson's  $r$ ), indicating how they were calculated
- Our web collection on [statistics for biologists](#) contains articles on many of the points above.*

## Software and code

Policy information about [availability of computer code](#)

Data collection	DA2 Design and Analysis Software 2.6.0 (fPCR)
Data analysis	LAS X - Leica Application Suite X (3.7.4.23463)

For manuscripts utilizing custom algorithms or software that are central to the research but not yet described in published literature, software must be made available to editors and reviewers. We strongly encourage code deposition in a community repository (e.g. GitHub). See the Nature Portfolio [guidelines for submitting code & software](#) for further information.

## Data

Policy information about [availability of data](#)

All manuscripts must include a [data availability statement](#). This statement should provide the following information, where applicable:

- Accession codes, unique identifiers, or web links for publicly available datasets
- A description of any restrictions on data availability
- For clinical datasets or third party data, please ensure that the statement adheres to our [policy](#)

Source data for Figs. 3a and 6 are available in the Source Data. scRNAseq data are available in the GEO database (GEO Submission (GSE215825), access code Urihimewhncrbql). The RNA sequencing data sets that support the findings of this study are from ref. 20, and available from the Sequence Read Archive (SRA). The SRA accessionnumber for day 25 LBOs sequencing is SRP073749 and SRR4295269 for day170 LBOs.

## Human research participants

Policy information about [studies involving human research participants and Sex and Gender in Research](#).

Reporting on sex and gender	NA
Population characteristics	NA
Recruitment	NA
Ethics oversight	NA

Note that full information on the approval of the study protocol must also be provided in the manuscript.

## Field-specific reporting

Please select the one below that is the best fit for your research. If you are not sure, read the appropriate sections before making your selection.

- ☒ Life sciences
- ☐ Behavioural & social sciences
- ☐ Ecological, evolutionary & environmental sciences

## Life sciences study design

All studies must disclose on these points even when the disclosure is negative.

Sample size	Each experiment repeated at least 3 times independently. Organoid images representative of >15 replicates..
Data exclusions	none
Replication	All organoid cultures replicated by IML, RTS, TAT, DB.
Randomization	NA
Blinding	none

## Behavioural & social sciences study design

All studies must disclose on these points even when the disclosure is negative.

Study description	
Research sample	
Sampling strategy	
Data collection	
Timing	
Data exclusions	
Non-participation	
Randomization	

## Ecological, evolutionary & environmental sciences study design

All studies must disclose on these points even when the disclosure is negative.

Study description	
Research sample	
Sampling strategy	
Data collection	
Timing and spatial scale	

Data exclusions	
Reproducibility	
Randomization	
Blinding	

Did the study involve field work? ☒ Yes ☐ No

Field work, collection and transport

Field conditions	
Location	
Access & import/export	
Disturbance	

Reporting for specific materials, systems and methods

We require information from authors about some types of materials, experimental systems and methods used in many studies. Here, indicate whether each material, system or method listed is relevant to your study. If you are not sure if a list item applies to your research, read the appropriate section before selecting a response.

Materials & experimental systems	Methods
<div><div>n/a</div><div>Involved in the study</div><div><div><input checked="" type="radio"/></div>Antibodies</div><div><div><input checked="" type="radio"/></div>Eukaryotic cell lines</div><div><div><input checked="" type="radio"/></div>Palaeontology and archaeology</div><div><div><input checked="" type="radio"/></div>Animals and other organisms</div><div><div><input checked="" type="radio"/></div>Clinical data</div><div><div><input checked="" type="radio"/></div>Dual use research of concern</div></div>	<div><div>n/a</div><div>Involved in the study</div><div><div><input checked="" type="radio"/></div>ChIP-seq</div><div><div><input checked="" type="radio"/></div>Flow cytometry</div><div><div><input checked="" type="radio"/></div>MRI-based neuroimaging</div></div>

Antibodies

Antibodies used	Antibodies with RRID in Table 1
Validation	Archival human lung samples, secondary only. hPSCs (which do not express most mature markers used here).

Eukaryotic cell lines

Policy information about [cell lines](#) and [Sex and Gender in Research](#)

Cell line source(s)	RUES2 (Rockefeller U)
Authentication	pluripotency by OCT4/SOX2, capacity to generate definitive endoderm, Karyotyping every 6 months.
Mycoplasma contamination	verified yearly on all growing lines in the laboratory.
Commonly misidentified lines (See <a href="#">ICLAC</a> register)	none

Palaeontology and Archaeology

Specimen provenance	
Specimen deposition	
Dating methods	

☐ Tick this box to confirm that the raw and calibrated dates are available in the paper or in Supplementary Information.

Ethics oversight	
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Note that full information on the approval of the study protocol must also be provided in the manuscript.

## Animals and other research organisms

Policy information about [studies involving animals](#); ARRIVE [guidelines](#) recommended for reporting animal research, and [Sex and Gender in Research](#)

Laboratory animals	<input type="text"/>
Wild animals	<input type="text"/>
Reporting on sex	<input type="text"/>
Field-collected samples	<input type="text"/>
Ethics oversight	<input type="text"/>

Note that full information on the approval of the study protocol must also be provided in the manuscript.

## Clinical data

Policy information about [clinical studies](#)  
All manuscripts should comply with the ICMJE [guidelines for publication of clinical research](#) and a completed [CONSORT checklist](#) must be included with all submissions.

Clinical trial registration	<input type="text"/>
Study protocol	<input type="text"/>
Data collection	<input type="text"/>
Outcomes	<input type="text"/>

## Dual use research of concern

Policy information about [dual use research of concern](#)

### Hazards

Could the accidental, deliberate or reckless misuse of agents or technologies generated in the work, or the application of information presented in the manuscript, pose a threat to:

No	Yes
<input type="radio"/>	<input checked="" type="radio"/> Public health
<input type="radio"/>	<input checked="" type="radio"/> National security
<input type="radio"/>	<input checked="" type="radio"/> Crops and/or livestock
<input type="radio"/>	<input checked="" type="radio"/> Ecosystems
<input type="radio"/>	<input checked="" type="radio"/> Any other significant area

### Experiments of concern

Does the work involve any of these experiments of concern:

No	Yes
<input type="radio"/>	<input checked="" type="radio"/> Demonstrate how to render a vaccine ineffective
<input type="radio"/>	<input checked="" type="radio"/> Confer resistance to therapeutically useful antibiotics or antiviral agents
<input type="radio"/>	<input checked="" type="radio"/> Enhance the virulence of a pathogen or render a nonpathogen virulent
<input type="radio"/>	<input checked="" type="radio"/> Increase transmissibility of a pathogen
<input type="radio"/>	<input checked="" type="radio"/> Alter the host range of a pathogen
<input type="radio"/>	<input checked="" type="radio"/> Enable evasion of diagnostic/detection modalities
<input type="radio"/>	<input checked="" type="radio"/> Enable the weaponization of a biological agent or toxin
<input type="radio"/>	<input checked="" type="radio"/> Any other potentially harmful combination of experiments and agents

## ChIP-seq

### Data deposition

- ☐ Confirm that both raw and final processed data have been deposited in a public database such as [GEO](#).
- ☐ Confirm that you have deposited or provided access to graph files (e.g. BED files) for the called peaks.

Data access links	<input type="text"/>
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*May remain private before publication*

Files in database submission

Genome browser session  
(e.g. [UCSC](#) )

Methodology

Replicates

Sequencing depth

Antibodies

Peak calling parameters

Data quality

Software

Flow Cytometry

Plots

Confirm that:

☒The axis labels state the marker and fluorochrome used (e.g. CD4-FITC).

☒The axis scales are clearly visible. Include numbers along axes only for bottom left plot of group (a 'group' is an analysis of identical markers).

☒All plots are contour plots with outliers or pseudocolor plots.

☒A numerical value for number of cells or percentage (with statistics) is provided.

Methodology

Sample preparation

Different stage of lung organoids derived from human pluripotent stem cells were dissociated (see Box2) and used for flow

Instrument

BD LSRII

Software

FACSDiva

Cell population abundance

no sorting was performed.

Gating strategy

See Fig. 9b.

☒Tick this box to confirm that a figure exemplifying the gating strategy is provided in the Supplementary Information.

Magnetic resonance imaging

Experimental design

Design type

Design specifications

Behavioral performance measures

Acquisition

Imaging type(s)

Field strength

Sequence & imaging parameters

Area of acquisition

Diffusion MRI

☐Used☒Not used

Preprocessing

Preprocessing software

Normalization

Normalization template

Noise and artifact removal

Volume censoring

Statistical modeling & inference

Model type and settings

Effect(s) tested

Specify type of analysis:

☐ Whole brain    ☐ ROI-based    ☐ Both

Statistic type for inference  
(See [Eklund et al. 2016](#) )

Correction

Models & analysis

n/a

Involved in the study

☐ Functional and/or effective connectivity

☐ Graph analysis

☐ Multivariate modeling or predictive analysis

Functional and/or effective connectivitv

Graph analysis

Multivariate modeling and predictive analysis



