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### Title

Morphological diversification and functional maturation of human astrocytes in glia-enriched cortical organoid transplanted in mouse brain

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1 **Morphological diversification and functional maturation of human astrocytes in glia-enriched**  
2 **cortical organoids transplanted in the mouse brain**

3  
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21  
22 **Abstract**

23  
24 Astrocytes, the most abundant glial cell type in the brain, are underrepresented in traditional cortical  
25 organoid models due to the delayed onset of cortical gliogenesis. Here, we introduce a novel glia-enriched  
26 cortical organoid model that exhibits accelerated astroglial gliogenesis. We demonstrated that induction of a  
27 gliogenic switch in a subset of progenitors enabled rapid derivation of astroglial cells, which account for  
28 25-31% of the cell population within eight to ten weeks of differentiation. Intracerebral transplantation of  
29 these organoids reliably generated a diverse repertoire of cortical neurons and anatomical subclasses of  
30 human astrocytes. Spatial transcriptome profiling identified layer-specific expression patterns among  
31 distinct subclasses of astrocytes within the organoid transplants. Using an *in vivo* acute  
32 neuroinflammation model, we identified a subpopulation of astrocytes that rapidly activates  
33 proinflammatory pathways upon cytokine stimulation. Additionally, we demonstrated that CD38

34 signaling plays a crucial role in mediating metabolic and mitochondrial stress in reactive astrocytes. This  
35 model provides a robust platform for investigating human astrocyte function.

36

37

38 **Main text**

39 Astrocytes comprise the most abundant glial cell type in the human brain, and their dysfunction has been  
40 implicated in numerous neurological disorders <sup>1</sup>. However, our ability to elucidate the roles of astrocytes in  
41 brain development and in the pathogenesis of brain disorders has been limited by the scarcity of accessible  
42 human astrocytes in a brain environment. Brain organoid models have emerged as valuable tools for  
43 investigating human brain development and disorders, as they exhibit self-organized properties that  
44 recapitulate certain aspects of the developing human brain <sup>2-6</sup>. Nonetheless, current cortical brain organoid  
45 systems have limitations in efficiently generating astrocytes <sup>7,8</sup>, mainly due to the extended time required  
46 for the progenitor cells to acquire glial competency <sup>9</sup>. In human cortical organoid systems, astroglialogenesis  
47 begins gradually at three months of differentiation and undergoes a maturation process lasting over a year  
48 <sup>7</sup>. Attempts to accelerate astrocyte differentiation from human induced pluripotent stem cells (hiPSCs) have  
49 shown promise either by transiently overexpressing a critical gliogenic factor <sup>10,11</sup> or by triggering a  
50 gliogenic switch with a specific set of patterning factors <sup>12,13</sup>. However, it remains unclear whether these  
51 patterning factors can be successfully applied to a cortical organoid patterning paradigm to generate glia-  
52 enriched cortical organoids.

53

54 Cells or organoids cultured *in vitro* also lack the blood circulation and the cortical organization of the brain.  
55 The brain is a highly vascularized organ that is connected with the systemic circulation. Astrocyte  
56 projections form glia limitans surrounding the vessels, regulating the communication between brain and  
57 circulation, and maintaining brain homeostasis <sup>14,15</sup>. Transplantation of human brain organoids into rodent  
58 brains enables the successful survival, integration, and formation of functional circuits of the human brain  
59 organoids *in vivo* <sup>16-22</sup>.

60

61 In this study, we present a glia-enriched cortical organoid model that facilitates accelerated astroglialogenesis.  
62 By triggering a gliogenic switch in 28-33% of the cells in the organoids at three weeks of differentiation,  
63 we achieved efficient derivation of astroglia comprising 25-31% of the cell population by eight to ten weeks  
64 of differentiation. To investigate astrocyte function in a brain environment, we employed an intracerebral  
65 transplantation method <sup>16</sup> that yielded highly vascularized *in vivo* brain organoids. The organoid transplants  
66 displayed robust integration into the host brain and developed anatomically defined morphological  
67 subclasses of human astrocytes. Spatial genomics further revealed layer-specific molecular signatures  
68 among different subclasses of human astrocytes. Moreover, we observed the formation of perivascular  
69 astrocytic endfeet ensheathing the vessels within the transplants. Using single nucleus RNA-sequencing  
70 (snRNA-seq), we found advanced maturation of astrocytes in our organoid transplants compared to cortical  
71 organoid transplants. Additionally, we showed that differentially expressed genes (DEGs) associated with

72 acute reactivity exhibited significant heterogeneity across astrocyte subpopulations in an *in vivo* model of  
73 acute neuroinflammation. Notably, we demonstrated that the metabolic and mitochondrial stresses in  
74 reactive astrocytes were mediated through CD38 signaling and that treatment with a potent CD38 inhibitor  
75 effectively alleviated a wide range of stresses induced by inflammation in astrocytes.

76

### 77 **Rapid astrogliogenesis in glia-enriched cortical organoids**

78

79 Astrocytes, like neurons and oligodendrocytes, originate from the radial glial cells in the subventricular  
80 zone (SVZ). Because astrogliogenesis occurs late during development <sup>9</sup>, most brain organoid models do  
81 not develop astrocytes until a very late stage. We hypothesized that triggering an early gliogenic switch in  
82 a subset of progenitors during neuroectoderm specification would enable rapid derivation of glial cells in a  
83 human cortical brain organoid model (Fig.1a and Extended Data Fig.1a). To induce an early gliogenic  
84 switch, we supplemented the neuroectoderm induction media with the previously reported gliogenic agent  
85 platelet-derived growth factor (PDGF-AA) and cultured the organoids in astrocyte medium <sup>12,13</sup> (Fig.1a).  
86 Organoids cultured under the gliogenic condition demonstrated robust upregulation of gliogenic factor  
87 NFIA at three weeks of differentiation (Fig.1b,c and Extended Data Fig.1b), indicating early glial patterning  
88 in a subset of progenitor cells, whereas forebrain organoids cultured under published methods <sup>23,24</sup> had  
89 almost no detectable NFIA expression at the same time point (Fig.1b,c). As early as eight weeks of  
90 differentiation, glia-enriched cortical organoids had substantially greater gliogenesis compared to the  
91 forebrain organoids, supported by the upregulation of astrocyte markers GFAP and HepaCAM (Fig.1d-g  
92 and Extended Data Fig.1c). In addition to astrocytes, robust neurogenesis was observed at eight weeks of  
93 differentiation (Extended Data Fig.1d). Compared to organoids cultured in a serum-free condition, glia-  
94 enriched cortical organoids cultured in differentiation media containing fetal bovine serum (FBS) displayed  
95 the most efficient derivation of astrocytes at three months of differentiation (Extended Data Fig.1e,f).

96

97 To identify cell-type diversity in glia-enriched cortical organoids, we carried out snRNA-seq on nuclei  
98 isolated from 10-week-old organoids generated from two pluripotent stem cell lines. We first applied  
99 uniform manifold approximation and projection (UMAP) dimensionality reduction and Louvain clustering  
100 to the snRNA-seq datasets, identifying multiple neuronal and glial subpopulations (Fig.1h, Extended Data  
101 Fig.2a-c, Supplementary Table 1). The majority of excitatory neurons were committed to a cortical identity,  
102 characterized by the expression of cortical neuronal markers (e.g. CTIP2, CUX2, and SATB2) (Extended  
103 Data Fig.1d and 2b-c). Astroglia comprised 25-31% of the total population; 5-8% of these were proliferating  
104 progenitor cells and 20-23% were astrocytes (Extended Data Fig. 2a-c). To contextualize early neurogenesis  
105 and gliogenesis in a systems-level framework, we applied a single-cell weighted gene coexpression network

106 analysis (WGCNA)<sup>25,26</sup>. By computing the average expression of 50 neighboring cells from each major  
107 cell type, we constructed co-expression networks for the astrocytes from the snRNA-seq dataset and  
108 identified two astrocyte gene modules (Fig.1i,j, Extended Data Fig.2d,e, Supplementary Table 2). The hub  
109 genes of astrocyte module M12 consisted of genes that function in cell-cell adhesion (TJP1, ID3, and  
110 FGFR1), and the hub genes of module M14 consisted of many known glial markers, including  
111 transcriptional factors ZBTB20 and GLI3 and glutamate transporter SLC1A3 (Fig.1k). Similarly, we  
112 constructed co-expression networks for the cortical excitatory neurons and identified four co-expression  
113 gene modules highly expressed in these cells (Extended Data Fig.2f-j, Supplementary Table 3). Collectively,  
114 transcriptomic analysis of 10-week-old glia-enriched cortical organoids confirmed robust neurogenesis and  
115 astrogliogenesis.

116  
117 Protoplasmic astrocytes are the most abundant astrocyte subtypes in the gray matter and exhibit highly  
118 ramified processes<sup>27</sup>. Astrocyte morphogenesis depends on direct interaction with neuronal processes<sup>28</sup>.  
119 We hypothesized that our organoid model supports robust astrocyte morphogenesis. To study the  
120 morphological characteristics of astrocytes during organoid differentiation, we transduced glia-enriched  
121 cortical organoids with GFAP::GFP adeno associated virus (AAV) and carried out Sholl analysis and  
122 morphological analyses of virus-labeled astrocytes (Fig.1l-n). Astrocytes exhibited process-bearing  
123 morphology at three months of differentiation and displayed robustly increased branch complexity over  
124 time, such as an increased number of primary processes, number of branches, and total length of the  
125 processes (Fig.1l-n). Immunostaining confirmed that AAV-transduced astrocytes expressed many mature  
126 astrocyte markers, and their processes were closely associated with synapses (Extended Data Fig.3a-e).  
127 Furthermore, AAV-transduced astrocytes were capable of glutamate uptake (Extended Data Fig.3f). Taken  
128 together, these data indicate successful generation of functional astrocytes *in vitro*.

### 129 130 **Formation of astrocyte morphological subclasses *in vivo***

131  
132 To better mimic the endogenous microenvironment, we performed intracerebral transplantation of 8- to 10-  
133 week-old glia-enriched cortical organoids into a cavity made in the retrosplenial cortex of immunodeficient  
134 (NOD.Cg-Prkdc<sup>scid</sup> Il2rg<sup>tm1Wjl</sup>/SzJ or NSG) mice (Fig.2a). Glia-enriched cortical organoids exhibited robust  
135 integration into the lesion cavity (Fig.2b,c and Extended Data Fig.4a-d). Immunostaining confirmed that  
136 nearly all NeuN and GFAP expression in the transplants coincided with HuNuclei expression and human  
137 GFAP (hGFAP) expression, respectively (Extended Data Fig.4a,b), indicating that neurons and astrocytes  
138 in the transplants were derived nearly exclusively from the human organoids. Human astrocytes exhibit a  
139 notably intricate morphology in contrast to their rodent counterparts<sup>29</sup>. Stereotactic viral labeling of

140 astrocytes with GFAP::GFP AAV revealed that human astrocytes in the transplants differed from the host  
141 astrocytes in that the human protoplasmic astrocytes were far more elaborate and larger (Fig.2d,e). In  
142 addition, human protoplasmic astrocytes extended long processes to the vasculature whereas the rodent  
143 astrocytes formed rosette-like structures around the vasculature (Fig.2f). Collectively, these results suggest  
144 that human protoplasmic astrocytes maintain their characteristic species-specific features in the transplants.

145  
146 Studies revealed intrinsic differences between human astrocytes and those of lower mammals <sup>30,31</sup>,  
147 including anatomically defined subclasses of human astrocytes that are absent in rodents <sup>29</sup>. Besides the  
148 predominant protoplasmic astrocytes, at least three additional major morphological subclasses of GFAP<sup>+</sup>  
149 astrocytes have been identified in the adult human temporal lobe, including interlaminar astrocytes, fibrous  
150 astrocytes, and varicose projection astrocytes <sup>29</sup>. We identified primate-specific interlaminar astrocytes at  
151 the pial surface of the transplant-forming fibers that both contributed to the glial limitans at the pial surface  
152 and penetrated deeper layers of the transplants; we also observed abundant ramified protoplasmic astrocytes  
153 in cortical layers of the transplants and fibrous astrocytes in deep layers of the transplants adjacent to white  
154 matter (WM), with relatively unbranched, straight GFAP<sup>+</sup> processes (Fig.2c and Extended Data Fig.4e).  
155 Notably, the formation of morphological subclasses of astrocytes in the transplants was accompanied by  
156 differential expression of CD44 and S100B (Extended Data Fig.4f,g). To further explore the morphological  
157 subclasses of GFAP<sup>+</sup> astrocytes, we used GFAP::tdTomato lentiviral transduced organoids for  
158 transplantation. Viral labeling enabled the identification of far more astrocytic processes than  
159 immunohistochemistry for GFAP (Fig.2g). Viral labeling also revealed human- and higher-order primate-  
160 specific varicose projection astrocytes, characterized by long fibers with prominent varicosities (Fig.2g).  
161 Together, these results show that intracerebral transplantation creates a permissive environment for the  
162 specification of anatomically defined human astrocyte subclasses.

163  
164 To decipher the molecular signatures of astrocytes across transplant layers, we next spatially profiled the  
165 expression of human protein-coding genes on formalin-fixed paraffin-embedded (FFPE) sections using the  
166 NanoString GeoMx human whole-transcriptome atlas (WTA; > 18,000 genes) assay<sup>32</sup> (Fig.2h). We first  
167 selected the regions of interest (ROIs) across different transplant layers (i.e., pial, cortex, and WM) and  
168 then performed segmentation of astrocytes within each ROI according to SOX9<sup>+</sup> staining (Fig.2i,j and  
169 Extended Data Fig.5a). Utilizing Principal Component Analysis (PCA), we observed separations in the  
170 gene expression profiles between layer-specific astrocytes (Fig.2k). Comparative transcriptomic analysis  
171 revealed that expression levels of many established astrocyte markers varied according to their specific  
172 locations (Fig.2l,m, Extended Data Fig.5b, and Supplementary Table 4-6). Pial interlaminar astrocytes  
173 demonstrated elevated expression levels of astrocyte markers such as Glial Fibrillary Acidic Protein

174 (GFAP), Aquaporin 4 (AQP4), and transcriptional repressors ID1 and ID3 (Fig.21,m). Meanwhile, fibrous  
175 astrocytes within the WM displayed increased expression of Thrombospondin 4 (THBS4) and transcription  
176 factor HES2, and cortical gray matter (predominantly protoplasmic) astrocytes demonstrated elevated  
177 expression of Solute Carrier Family 1 Member 2 (SLC1A2), ATPase Na<sup>+</sup>/K<sup>+</sup> Transporting Subunit Alpha  
178 2 (ATP1A2), Sterol Regulatory Element Binding Transcription Factor 2 (SREBF2), and Neuroglycan C  
179 (CSPG5) (Fig.21,m). We then carried out gene set enrichment analysis (GSEA) and identified that cortical  
180 (predominantly protoplasmic) astrocytes exhibited enrichment in genes associated with steroid metabolism,  
181 cholesterol biosynthesis, neurotransmitter release cycle, and nervous system development, highlighting  
182 their close interaction with neurons (Extended Data Fig.5c). To further explore the interactions between  
183 astrocytes and neurons, we confirmed the expression of glutamate transporter EAAT2 (gene name SLC1A2)  
184 and synaptogenic proteins HEVIN (gene name SPARCL1) in human protoplasmic astrocytes by  
185 immunostaining (Extended Data Fig.6a,b). Electron microscopy (EM) revealed the presence of multi-  
186 synaptic boutons (Extended Data Fig.6c), indicating neuronal maturation in the transplants. To investigate  
187 the physical proximity of synapses and astrocytes in the transplants, we employed serial-sectioning EM and  
188 reconstructed a dendrite with spines (Extended Data Fig.6d). We observed that the astrocytic processes  
189 were surrounding the synapse (Extended Data Fig.6e), indicating a close association of human astrocytes  
190 with synapses *in vivo*. Collectively, these findings demonstrated functional diversification of astrocyte  
191 subclasses at the molecular level.

192

### 193 **Human astrocytes form perivascular astrocytic endfeet**

194

195 In the brain, astrocytes are uniquely positioned to interact with both neurons and the vasculature. We  
196 observed an extensive host vascular network and microglia infiltrating into the transplants (Extended Data  
197 Fig.6f-i). Unlike the *in vitro* astrocytes, protoplasmic astrocytes in the transplants established spatial  
198 territory (Fig.3a,b). Astrocytic processes interact with blood vessels through cap-like cytoplasmic processes  
199 called astrocytic endfeet. Specific channels and transporters, for example AQP4 and Kir4.1, are targeted to  
200 astrocyte endfeet to control water and ion homeostasis at the vessel-neuron interface<sup>15</sup>. Immunostaining  
201 for the water channel protein AQP4 demonstrated polarized expression at the endfeet of the human  
202 astrocytes in the transplants, in sharp contrast to the *in vitro* astrocytes (Fig.3c). This finding was further  
203 confirmed by the expression of the inward-rectifier potassium channel Kir4.1 at the perivascular astrocyte  
204 endfeet processes and of the glucose transporter Glut-1 at the astrocyte-vessel interface (Extended Data  
205 Fig.6j,k). These results provide evidence that the *in vivo* environment facilitates formation of astrocytic  
206 endfeet structure.

207

208 We next carried out EM to transplants derived from the GFP-transduced H9 hESC line to investigate the  
209 interaction between human astrocytes and host vasculature. Blood vessels were directly labeled by trans-  
210 cardiac perfusion with a fluorescent lipophilic carbocyanine dye that incorporates into endothelial cell  
211 membranes upon contact<sup>33</sup> (Extended Data Fig.6l). The structure of the blood vessels was well maintained  
212 when examined under scanning EM, where tight junctions and marginal folds were clearly visible between  
213 endothelial cells (Fig.3d). Glycogen granules and intermediate filament were also found in the astrocytes  
214 surrounding the vessels (Fig.3e). We next reconstructed elements of a blood vessel and perivascular  
215 astrocytes from a three- $\mu$ m segment of a capillary found near the center of the transplant using serial section  
216 EM (Fig.3f,g and Supplementary Video 1). Tight junctions were visible between endothelial cells in the  
217 electron micrograph (Extended Data Fig.6m). Astrocytic processes wrapped around the vessel and  
218 apparently covered the entire surface, suggesting the formation of glia limitans surrounding the vasculature.  
219 Together, these results demonstrate the close coupling of human astrocytes to the host vasculature.

220

### 221 **Enhanced cell maturation in engrafted organoids**

222

223 To systematically investigate neuronal and glial development and maturation, we carried out snRNA-seq  
224 on five-month-old *in vitro* organoids, five-month-old transplants, six-month-old transplants, and eight-  
225 month-old transplants from two pluripotent stem cell lines (Fig.4a). We first performed batch-correction  
226 integration and UMAP dimensionality reduction, identifying subpopulations of neuronal and glial cells  
227 (Fig.4b,c, Extended Data Fig.7a-c, and Supplementary Table 7). We next leveraged a transfer learning  
228 strategy to integrate our dataset into a published atlas of postmortem prefrontal cortex samples from  
229 individuals spanning fetal, neonatal, infancy, childhood, adolescence, and adult stages of development<sup>34</sup>,  
230 and we estimated the cell states and their developmental stages in our organoid nuclei (Extended Data  
231 Fig.7d-g). Most organoid nuclei from five-month-old organoids aligned with fetal populations of the  
232 reference dataset (Fig.4d). Notably, with transplantation and increasing organoid age, more nuclei displayed  
233 characteristics of postnatal cells (Fig.4d), in particular upper-layer (UL) excitatory neurons, with 6.1% of  
234 ULs for the five-month organoids aligned to postnatal stages, compared with 30.2% for the five-month  
235 transplants and 94.5% for the eight-month transplants (Extended Data Fig.7h).

236

237 To determine the genes involved in astrocyte development and function, we constructed co-expression  
238 networks using astrocytes from the integrated snRNA-seq data and identified an astrocyte gene module  
239 (M5) containing genes associated with glutamate transport (Fig.4e,f, Extended Data Fig.8a,b, and  
240 Supplementary Table 8). Analysis of the harmonized module score of gene module M5 in astrocytes  
241 revealed increased expression of the module genes in the transplants compared to the *in vitro* organoids

242 (Fig.4g). We next curated the top 50 expressed genes from the upregulated gene list in mature human  
243 astrocytes versus fetal human astrocytes as reported in Zhang et al., 2016<sup>30</sup>, and we identified elevated  
244 expression of the mature human astrocyte genes in the transplants compared to the *in vitro* organoids  
245 (Fig.4h,i). To further uncover glial heterogeneity and maturity, we performed pseudotime trajectory  
246 analysis using monocle 3<sup>35</sup> on the integrated snRNA-seq data in glia (Fig.4j). Setting progenitors as the  
247 starting time point for astrocytes, pseudotime trajectory analysis revealed more cells towards the end point  
248 of the trajectory in the transplants, progressing from glial progenitors to astrocytes (Fig.4j). Similarly,  
249 WGCNA and pseudotime analyses of immature and mature UL excitatory neurons revealed more advanced  
250 excitatory neuronal maturation *in vivo* (Extended Data Fig.8c-g and Supplementary Table 9). Collectively,  
251 these results provide evidence that transplantation facilitates organoid maturation.

252

253 To compare the cell states of our organoid transplants with previously reported cortical organoid  
254 transplants<sup>21</sup>, we integrated snRNA-seq data from the cortical organoid transplants into our dataset and  
255 conducted a cell-type prediction analysis. The analysis confirmed a high degree of similarity in cell-type  
256 identity between our eight-month-old organoid transplants and the eight-month-old cortical organoid  
257 transplants<sup>21</sup> (Fig.4k,l). We then focused on examining the distribution of astrocyte nuclei ages using the  
258 age-prediction analysis. Our differentiation paradigm supported enhanced astrocyte maturation, with 75.8%  
259 of the nuclei aligned to postnatal cells over the age of 301 days, as estimated through molecular equivalence  
260 using the brain reference dataset, compared to 56.2% of nuclei in previously reported cortical organoid  
261 transplants (Fig.4m). Overall, these data suggest that our differentiation paradigm enhances astrocyte  
262 maturation.

263

### 264 **Characterization of proinflammatory pathways in astrocytes**

265

266 Reactive astrocytes are induced by CNS injuries and diseases<sup>36</sup>, as characterized by upregulation of genes  
267 that can modulate CNS inflammation<sup>1,37</sup> and formation of a glial scar after CNS trauma<sup>38</sup>. Despite  
268 significant progress in our understanding of this pronounced transformation process, our knowledge of  
269 astrocyte reactivity has been predominantly based on rodent cells. To investigate the reactive transformation  
270 of human astrocytes *in vivo*, we performed stereotaxic injections of either saline or recombinant human  
271 tumor necrosis factor alpha (TNF $\alpha$ ), an inflammatory cytokine known to induce reactive astrogliosis<sup>1,37</sup>,  
272 into the transplants, and performed fluorescence activated cell sorting to purify glial cells for single-cell  
273 RNA-seq five hours post injection (Fig.5a-c, Extended Data Fig.9a,b, and Supplementary Table 10). We  
274 found that differentially expressed genes (DEGs) associated with acute reactivity exhibited significant  
275 heterogeneity across astrocyte subpopulations (Fig.5d,e and Extended Data Fig.9c,d). Following TNF $\alpha$

276 treatment, we observed a significant expansion of cluster 2 astrocytes, which were identified by their  
277 expression of CD44, CD38, and GFAP (Fig.5c,f). These reactive astrocytes were characterized by genes  
278 that have been previously linked to proinflammatory pathways and astrocyte pathogenic activities in  
279 neurotoxicity, such as the activation of NF- $\kappa$ B and interferon pathways (Fig.5g and Extended Data Fig.9e).  
280 We also observed downregulation of genes involved in oxidative phosphorylation, NADH dehydrogenase  
281 complex assembly, and mitochondrial respiratory chain complex assembly in cluster 2 astrocytes following  
282 TNF $\alpha$  treatment (Fig.5g and Extended Data Fig.9f). Taken together, our findings indicate that there is  
283 significant reactive heterogeneity across different human astrocyte subpopulations *in vivo*.

284

### 285 **CD38 mediates inflammation-induced stresses in astrocytes**

286

287 To gain further insights into the cellular changes that occur during human astrocyte reactivity, we treated  
288 glia-enriched cortical organoids with TNF $\alpha$  for 24 hours and examined the inflammatory processes  
289 following the treatment (Fig.6a,b and Extended Data Fig.10a,b). Our results confirmed a rapid upregulation  
290 of pro-inflammatory cytokines, interferon signaling, and the NF- $\kappa$ B signaling pathway (Fig.6b and  
291 Extended Data Fig.10a,b). We also observed NF- $\kappa$ B nuclear translocation in astrocytes (Fig.6c). These  
292 results demonstrate that *in vitro* astrocytes can recapitulate the molecular changes *in vivo*.

293

294 Transcriptomics suggests dysregulation of metabolism and mitochondrial function in reactive astrocytes  
295 (Fig.5g and Extended Data Fig.9f). To investigate changes in NAD<sup>+</sup> metabolism and mitochondrial function  
296 in reactive astrocytes, we purified GFAP::tdTomato<sup>+</sup> astrocytes from *in vitro* organoids (Fig.6d and  
297 Extended Data Fig.10c). Our analysis revealed reduced NAD<sup>+</sup>/NADH ratio (Fig.6e) and glutathione  
298 (reduced to oxidized or GSH/GSSH) ratio (Fig.6f) in astrocytes following TNF $\alpha$  treatment, suggesting  
299 metabolic stress and oxidative stress in reactive astrocytes. CD38 is a major regulator of NAD<sup>+</sup> levels and  
300 a gradual increase in CD38 has been implicated in the decline of NAD<sup>+</sup> with age<sup>39</sup>. We observed significant  
301 upregulation of CD38 in reactive astrocytes (Extended Data Fig.10d). We next investigated whether CD38  
302 mediated the reductive metabolic stress and oxidative stress. After treating human astrocytes with TNF $\alpha$   
303 and a potent CD38 inhibitor 78c, we found significantly reduced metabolic and oxidative stress (Fig.6e,f).  
304 Cellular stress and metabolic cues can cause the mitochondrial network to fragment, which then promotes  
305 mitophagy and is associated with cell death<sup>40</sup>. Reactive astrocytes showed significant increases in  
306 mitochondrial fragmentation, which was markedly reduced by 78c (Fig.6g,h). These results suggest a  
307 mechanism by which a major NADase CD38 mediates metabolic and mitochondrial dysregulation in  
308 reactive astrocytes.

309

310 **Discussion**

311

312 While brain organoid models have been useful for studying human neurodevelopment and neurological  
313 disorders, studies of astrocyte function in such models have remained limited. This is partly due to the late  
314 onset of gliogenesis in humans, which is recapitulated in cortical organoid models <sup>7</sup>. Prolonged culture of  
315 neural progenitor cells in media containing gliogenic factors <sup>12,13</sup> or repeated passaging <sup>41,42</sup> confers  
316 gliogenic competency but eliminates neurogenic potentials. In this study, we demonstrate that induction of  
317 a gliogenic switch by addition of a gliogenic factor PDGF-AA and astrocyte-supporting medium for three  
318 weeks successfully enables accelerated astroglialogenesis in a substantial portion of cells while retaining  
319 neurogenic potential for the majority of cells. In this context, our organoid model not only efficiently  
320 generates astrocytes in a time window comparable to previously reported 2D astrocyte differentiation  
321 protocols<sup>10-13</sup> but also gives rise to other brain cell types, including cortical excitatory neurons, inhibitory  
322 neurons, and OPCs (Supplementary Fig.1). Additionally, transcriptomic analysis revealed that astrocytes  
323 generated in our model exhibit enhanced maturation compared to those derived from cortical organoids <sup>21</sup>  
324 when transplanted into rodent cortices. Therefore, our organoid model provides an opportunity to study  
325 human astrocyte function in neurodevelopment and neurological diseases.

326

327 Human astrocytic complexity correlates with the increased functional competence of the adult human brain  
328 <sup>29,31</sup>. In the human brain, astrocytes display a remarkable morphological diversity according to cortical  
329 layers and form anatomically defined subclasses <sup>29,31</sup>. While neonatal engraftment of human glial progenitor  
330 cells has allowed the progressive expansion of human glial cells in the host brain <sup>43-45</sup>, to the best of our  
331 knowledge, it is still limited in fully reproducing the morphological complexity observed in the human  
332 brain. Notably, our model is capable of producing hominid-specific varicose astrocytes, a feature that was  
333 not observed in previous models. Our study has also uncovered the diversification of layer-specific  
334 expression patterns in astrocytes by spatial transcriptome profiling. Pial interlaminar astrocytes within the  
335 transplants expressed many astrocyte markers, including GFAP, S100B, CD44, and AQP4, and showed  
336 increased expression of GFAP, AQP4, ID1, and ID3 compared to cortical astrocytes, resembling the  
337 expression profiles of subpial astrocytes observed in mice <sup>46,47</sup> and interlaminar astrocytes reported in  
338 humans <sup>48,49</sup>. In contrast, cortical protoplasmic astrocytes displayed an upregulation of genes involved in  
339 regulating cholesterol biosynthesis, synapse formation, and synaptic activity, while fibrous astrocytes  
340 expressed genes involved in initiation of myelination. These findings contribute to our understanding of the  
341 unique molecular processes governing the spatial organization of astrocytes within the cortical architecture.  
342 Of note, the NanoString GeoMx platform used in this study did not permit discrete identification of gene  
343 expression variations at single cell resolution. This lack of single cell resolution represents a notable

344 constraint in our analysis, where regions of interest, although enriched for SOX9, encompass various  
345 astrocytic types, thereby limiting our capacity to delineate transcriptional distinctions at a more refined  
346 morphological level.

347

348 Our model also provides a platform to study astrocyte function during neuroinflammation and disease  
349 progression. The previous notion of astrocyte reactivity being a uniform response to tissue damage has been  
350 challenged by accumulating evidence suggesting that astrocytes are a diverse population of cells<sup>36,50</sup>. Our  
351 findings show that transcriptional changes associated with acute astrocyte reactivity *in vivo* are highly  
352 heterogeneous among human astrocyte subpopulations. We also demonstrate that metabolic and  
353 mitochondrial stresses induced by inflammation can be alleviated through inhibiting cyclase/hydrolase  
354 activity of CD38, a major NADase expressed in a subset of astrocytes and upregulated in response to TNF $\alpha$   
355 treatment. This model thus presents a platform to interrogate cellular function under physiological  
356 conditions that is otherwise difficult to investigate in other models and for drug discovery to treat human  
357 brain diseases.

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### 376 **Author Contributions Statement**

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378 M.W., L.Z., and F.H.G. conceived the study and wrote the manuscript; M.W., L.Z., C.K.L. and S.F.  
379 performed cell culture and organoid differentiation; M.W., L.Z., C.K.L. and I.S.G. performed surgeries;  
380 S.L.P. assisted in surgeries; M.W. and I.S.G. performed single nucleus RNA-seq and single cell RNA-seq;  
381 M.W., C.Q., and E.M. performed NanoString GeoMx DSP; M.W., M.S., J.Y., and A.W. performed  
382 bioinformatics analyses; M.W. and L.Z. performed imaging analysis with assistance from L.L.X., C.K.L.,  
383 S.C. and M.D.S.; L.Z., S.W.N. and L.A. performed sample processing for scanning electron microscopy;  
384 S.W.N. and L.A. performed electron microscopic image analysis under the supervision of M.W., L.Z. and  
385 U.M.; F.H.G. provided funding.

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387 **Competing interests Statement**

388

389 The authors declare no competing interests.

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391 **Figure Legends**

392 **Figure 1. Enhanced astrogliogenesis in glia-enriched cortical organoids.**

393 **a.** Differentiation protocol schematic: astrocyte medium (AstroM); fetal bovine serum (FBS). **b.**  
394 Immunostaining for glial progenitors (NFIA, magenta) and stem cells (SOX2, green). Scale bars, 20  $\mu$ m. **c.**  
395 Quantification of NFIA<sup>+</sup> cells in forebrain (gray bars; Hues6 n=9; iPSC822 n=7) or glia-enriched cortical  
396 organoids (red bars; Hues6 n=7; iPSC822 n=6) from two batches of differentiation. Each dot represents one  
397 organoid. Mean  $\pm$  s.e.m. Two-sided t-test with Welch's correction. \*\*\*p < 0.001. **d.** Immunostaining for  
398 astrocytes (GFAP, magenta) and progenitor cells (SOX2, green). Scale bars, 20  $\mu$ m. **e.** GFAP<sup>+</sup> area  
399 quantified in forebrain (gray bars; Hues6 n=10; iPSC822 n= 9) and glia-enriched cortical organoids (red  
400 bars; Hues6 n=9; iPSC822 n= 8) from two batches of differentiation. Each dot represents one organoid.  
401 Mean  $\pm$  s.e.m. Two-sided t-test with Welch's correction. \*\*\*p < 0.001, \*\*p < 0.01. **f.** Immunostaining for  
402 astrocytes (HepaCAM, magenta; GFAP, green). Scale bars, 20  $\mu$ m. **g.** HepaCAM<sup>+</sup> area quantified in  
403 forebrain (gray bars; Hues6 n=5; iPSC822 n= 6) and glia-enriched cortical organoids (red bars; Hues6 n=6;  
404 iPSC822 n= 7) from two batches of differentiation. Each dot represents one organoid. Mean  $\pm$  s.e.m. Two-  
405 sided t-test with Welch's correction. \*\*p < 0.01. **h.** UMAP plot displaying snRNA-seq data (n= 15,287  
406 nuclei) from 10-week-old organoids from two lines after batch correction. APC (astrocyte progenitor cell),  
407 Ast (astrocyte), IPC (intermediate progenitor cell), In (inhibitory neuron), Cortical Ex (cortical excitatory  
408 neuron), and Ex (excitatory neuron). **i.** Dendrogram from WGCNA of astrocyte gene modules. **j.** UMAP  
409 plot of module hub gene expression score for astrocyte gene modules M12 and M14. **k.** Coexpression plots  
410 of the top 25 module genes for astrocyte gene modules M12 and M14. **l.** Confocal images of the  
411 GFAP::GFP AAV-transduced astrocytes and traces of processes. Top, three-month-old organoids. Bottom,  
412 five-month-old organoids. Scale bars, 20  $\mu$ m. **m.** Sholl analysis of astrocytes (three-month-old, 33  
413 astrocytes; five-month-old, 59 astrocytes). Mean  $\pm$  s.e.m. **n.** Bar plots illustrating the number of primary  
414 processes, number of branches, and total process length (three-month-old, 33 astrocytes; five-month-old,  
415 59 astrocytes). Mean  $\pm$  s.e.m. Two-sided t-test with Welch's correction. \*\*\*\*p < 0.0001.

416

417 **Figure 2. Human astrocytes form anatomically defined morphological subclasses *in vivo*.**

418 **a.** Illustration depicting the experimental procedure. **b.** Immunostaining for H9-GFP-derived transplant  
419 (GFP, green) and nuclei (DAPI, blue). **c.** Immunostaining of six-month-old transplants: astrocytes (GFAP,  
420 green), human nuclear antigen (HuNu, magenta). Top inset, interlaminar astrocytes; Middle inset,  
421 protoplasmic astrocytes; Bottom inset, fibrous astrocytes. Scale bars, 100  $\mu$ m (left panel), 50  $\mu$ m (right  
422 panels). **d.** Immunostaining of GFAP::GFP AAV-transduced astrocytes: human nuclear antigen (HuNu,  
423 cyan), astrocytes (GFAP, magenta). Top, human astrocytes; Bottom, mouse astrocytes. Scale bars, 20  $\mu$ m.  
424 **e.** Maximal diameter comparison of GFAP::GFP AAV-transduced human and mouse cortical astrocytes.

425 Mouse, n = 30 from three mice; human, n = 46 from three transplants. Mean  $\pm$  s.e.m. Two-sided t-test with  
426 Welch's correction. \*\*\*\*p < 0.0001. **f.** Immunostaining for human [top; hGFAP<sup>+</sup> (magenta) and GFAP<sup>+</sup>  
427 (green)] and mouse astrocytes [bottom; hGFAP<sup>-</sup> (magenta) and GFAP<sup>+</sup> (green)] and blood vessels (Ly6C,  
428 cyan). Scale bars, 20  $\mu$ m. **g.** GFAP::tdTomato lentivirus-labeled human astrocytes in transplants (tdTomato,  
429 magenta). Arrowheads: varicosities in astrocyte processes. Scale bars, 20  $\mu$ m. **h.** Overview of the GeoMx  
430 Digital Spatial Profiler (DSP) workflow. **i.** Immunofluorescent staining image of one brain section with  
431 overlying selected Regions of Interest (ROIs). Scale bar, 750  $\mu$ m. 38 ROIs (pial = 10, cortex = 16, WM =  
432 12) from 4 sections were analyzed. **j.** Top: immunofluorescent staining: hGFAP (yellow), SOX9 (magenta),  
433 SYTO-13 (blue); bottom: cell segmentation of SOX9<sup>+</sup>/CYTO-13<sup>+</sup> cells within ROI. Scale bar, 100  $\mu$ m. **k.**  
434 PCA plot of GeoMx DSP gene expression data. Points: segmented SOX9<sup>+</sup>/CYTO-13<sup>+</sup> cells per ROI,  
435 colored by location. **l.** Volcano plots of differentially expressed genes (DEGs) between astrocyte groups.  
436 Dashed lines: adjusted p value < 0.05 (linear mixed effect model with Benjamini-Hochberg multiple  
437 correction) and fold change (FC) > 1.5. **m.** Box plots depicting the normalized expression levels of selected  
438 genes in each group (pial = 10, cortex = 16, WM = 12). Center line, median; box limits, upper and lower  
439 quartiles; whiskers, 1.5x interquartile range; points, outliers.

440

441 **Figure 3. Human astrocytes form perivascular endfeet *in vivo*.**

442 **a.** Confocal images comparing *in vitro* glia-enriched cortical organoids (top, six-month-old) and organoid  
443 transplants (bottom, six-month-old). Immunostaining for human astrocytes (hGFAP, green). Scale bars,  
444 100  $\mu$ m. **b.** Quantification of the number of hGFAP<sup>+</sup> cells per mm<sup>2</sup> in glia-enriched cortical organoids *in*  
445 *vitro* (left) and transplants *in vivo* (right). n = 6 organoids *in vitro* and n = 4 transplants (*in vivo*). Two-sided  
446 t-test with Welch's correction, \*\*\* P < 0.001. Bars, mean  $\pm$  s.e.m. **c.** Confocal images comparing glia-  
447 enriched cortical organoids *in vitro* (left panels, six-month-old) and transplants *in vivo* (right panels, six-  
448 month-old). Immunostaining for human astrocytes (hGFAP, green) and water channel Aquaporin 4 (AQP4,  
449 magenta). Scale bars, 20  $\mu$ m. **d.** Electron micrograph of the lumen of a blood vessel in an eight-month-old  
450 transplant captured using a scanning electron microscope. Top panel: endothelial cells (purple), basement  
451 membrane (blue), and intercellular leaflets (yellow). Bottom panel: enlarged view from the top panel. Scale  
452 bars, 4  $\mu$ m. **e.** Electron micrograph of a capillary in the transplant. Boxes show astrocyte processes. Top  
453 right, arrowheads indicate glycogen granules. Bottom right, an arrowhead indicates glia filaments (GFAP).  
454 M, mitochondria. Scale bars, 1  $\mu$ m. **f-g.** Electron micrograph of a capillary consists of endothelial cells  
455 (purple), tight junctions (yellow), pericytes (brown), and basement membrane (blue). The vessel was  
456 wrapped by astrocytic processes (green). Astrocyte soma (light green). 3D reconstruction of segmented  
457 data from serial section EM (**f**). Pseudocolored 2D image (**g**). Scale bars, 2  $\mu$ m.

458

459 **Figure 4. Advanced maturation of astrocytes in engrafted organoids revealed by snRNA-seq analyses.**

460 **a.** Schematic representation of snRNA-seq and related analyses. **b.** UMAP plot of snRNA-seq data (n=  
461 65,743 nuclei) from five-month-old glia-enriched cortical organoids (5m\_Org, n= 17,490 nuclei), 5-month-  
462 old transplants (5m\_T, n= 15,936 nuclei), six-month-old transplants (6m\_T, n= 15,607 nuclei), and eight-  
463 month-old transplants (8m\_T, n= 16,710 nuclei) from two lines after batch correction. Ast, astrocyte; OPC,  
464 oligodendrocyte progenitor cell; In, inhibitory neuron; Immature, immature excitatory neuron; DL, deep  
465 layer cortical excitatory neuron; UL, upper layer cortical excitatory neuron. **c.** UMAP plots of snRNA-seq  
466 data separated by individual samples. **d.** Ridge plot of predicted nuclei ages separated by time point.  
467 Wilcoxon test (two-sided, \*\*\*\*\*,  $p < 0.0001$ ; reference group, 5m\_Org). **e.** Coexpression plot of top 25  
468 module hub genes. **f.** UMAP plot of module hub gene expression score for astrocyte modules M5. **g.** Violin  
469 plot of harmonized module score of astrocyte module M5 in astrocytes across different time points.  
470 Wilcoxon test (two-sided, \*\*\*\*\*,  $p < 0.0001$ ; reference group, 5m\_Org). Center line, median; box limits,  
471 upper and lower quartiles; whiskers, 1.5x interquartile range; points, outliers. **h.** Module expression score  
472 of mature astrocyte genes curated from Zhang et al., 2016 in astrocytes separated by each time point. Each  
473 dot represents median value per cell line. Wilcoxon test (two-sided, \*\*\*\*\*,  $p < 0.0001$ ; reference group,  
474 5m\_Org). **i.** Dot plot showing the expression of selected mature astrocyte genes reported in Zhang et al.,  
475 2016. **j.** UMAP dimensionality reduction of astrocytes from the integrated snRNA-seq. Each cell is colored  
476 by its pseudotime trajectory assignment. Pseudotime analysis separated by time point. One-sided  
477 Kolmogorov–Smirnov test (\*\*\*\*\*,  $p < 2.2e-16$ ; reference group, 5m\_Org). **k.** Projection of cortical organoid  
478 transplants snRNA-seq nuclei (Revah et al., 2022 right) onto the reference of nuclei (8m\_T, left). **l.** Heatmap  
479 of predicted cell type of cortical organoid transplants (Revah et al., 2022) on to the reference nuclei (8m\_T).  
480 **m.** Ridge plot of predicted ages of astrocyte nuclei from eight-month-old glia-enriched cortical organoid  
481 transplants (8m\_T) and cortical organoid transplants (Revah et al., 2022). Wilcoxon test (two-sided, \*\*\*\*\*,  
482  $P \text{ value} = 2.613246e-75$ ).

483

484 **Figure 5. Transcriptome profiling reveals rapid activation of proinflammatory pathways in a**  
485 **subpopulation of astrocytes *in vivo*.**

486 **a.** Schematic representation of the experimental design. **b.** UMAP plot of scRNA-seq data from saline-  
487 treated transplants (n = 7404 cells) and TNF $\alpha$ -treated transplants (n = 5835 cells) after batch correction. **c.**  
488 UMAP plot displaying all Seurat clusters (left) and the number of cluster 2 astrocytes in each condition.  
489 UpSetR plots showing the upregulated DEGs (**d**) and downregulated DEGs (**e**) that are unique to or shared  
490 between astrocyte clusters 1-4. **f.** Violin plot illustrating the expression of selected genes in astrocyte  
491 clusters 1-4. **g.** GSEA comparing TNF $\alpha$ -treated and saline-treated cluster 2 astrocytes. Hallmark gene sets  
492 are shown. FDR, false discovery rate; NES, normalized enrichment score.

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**Figure 6. CD38 mediates inflammation-induced metabolic and mitochondrial stresses in human astrocytes.**

**a.** Schematic representation of the experimental design. **b.** Confocal images of *in vitro* six-month-old glia-enriched cortical organoids at different time points (day 0, day 1, and day 2) post TNF $\alpha$  treatment. Immunostaining for astrocytes (GFAP, green) and monocyte chemoattractant protein-1 (CCL2, magenta). Scale bars, 200  $\mu$ m. **c.** Quantification of the percentage of astrocytes with nuclear translocation of NF- $\kappa$ B (three organoids per group). Each dot represents one organoid. Bars, mean  $\pm$  SD. Two-sided t-test, \*\*p < 0.01, \*\*\*\*p < 0.0001. **d.** Schematic representation of astrocyte purification process from organoids. **e.** Dot plot showing the ratio of NAD<sup>+</sup> to NADH (n = 8 independent experiments per group). Each dot represents one independent experiment. Bars, mean  $\pm$  SD. Two-sided t-test, \*\*\*\*p < 0.0001. **f.** Dot plot showing the ratio of GSSH to GSSG (n = 6 independent experiments per group). Each dot represents one independent experiment. Bars, mean  $\pm$  SD. Two-sided t-test, \*\*\*\*p < 0.0001. **g.** Confocal images of astrocytes treated with saline, TNF $\alpha$ , and TNF $\alpha$  together with CD38 inhibitor 78c. Immunostaining for astrocytes (GFAP::tdTomato, magenta) and mitochondria (mitoGFP, green). Scale bars, 10  $\mu$ m. **h.** Percentage of astrocytes with fragmented mitochondria (CTRL = 150 cells examined over three independent experiments; TNF $\alpha$ 1d = 150 cells examined over three independent experiments; TNF $\alpha$ 2d = 150 cells examined over three independent experiments; TNF $\alpha$ 2d + CD38i = 200 cells examined over four independent experiments). Each dot represents one independent experiment. Bars, mean  $\pm$  SD. Two-sided t-test, \*\*p < 0.01, \*\*\*\*p < 0.0001.

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625

626

627 **Methods**

628

629 **Human pluripotent stem cells**

630 Human embryonic stem cells (hESCs) Hues6 (NIH approved ESC line, obtained from HSCI iPS Core)<sup>51</sup>,  
631 H9 (Wisconsin International Stem Cell (WISC) bank, WiCell research Institute, WA09 cells)<sup>52</sup> and human  
632 induced pluripotent cells (hiPSCs) 822 were used in the current study. H9 cells were transduced with pCSC-  
633 CAG-GFP lentiviruses and GFP-expressing cells were FACS-sorted as previously described<sup>16</sup>. Protocols  
634 were previously approved by the Salk Institutional Review Board and informed consent was obtained from  
635 the subjects.

636

637 **Mice**

638 All animal experiments described in the current study were approved by the Institutional Animal Care and  
639 Use Committee (IACUC) at the Salk Institute for Biological Studies (12-00022) and were conducted in  
640 compliance with the National Institute of Health's Guide for the Care and Use of Laboratory Animals.  
641 Immune-deficient mice NOD.Cg-Prkdc<sup>scid</sup> Il2rg<sup>tm1Wjl</sup>/SzJ (Jackson Laboratory, stock number 005557) were  
642 generated in our lab by breeding and kept on a 12h light/dark cycle in a housing group of two to five mice  
643 in each cage. Male and female mice 6-12 weeks of age were randomly used in this study.

644

645 **Human pluripotent stem cell culture**

646 Human pluripotent stem cells (PSCs) were cultured as previously described<sup>16,53</sup>. PSC colonies were  
647 maintained on Matrigel-coated six-well plates (Matrigel, Corning, 354277, hESC-Qualified) using mTeSR  
648 Plus (Stemcell Technologies, 85850) and were incubated in a 5% CO<sub>2</sub> humidified atmosphere at 37°C. PSC  
649 colonies were passaged at a ratio of 1:6 every three to six days using ReLeSR (Stemcell technologies, 5872).  
650 All human PSCs were maintained in feeder-free culture condition for 20-40 generations and confirmed  
651 negative for mycoplasma. Cells were confirmed normal with karyotyping. All experiments involving cells  
652 from human subjects were performed in compliance with the institutional Embryonic Stem Cell Research  
653 Oversight (ESCRO) committee.

654

655 **Generation of glia-enriched cortical organoids**

656 To generate embryoid bodies (EBs), intact PSC colonies were treated with 1 mg/ml Collagenase type IV  
657 (Invitrogen, 17104-019) for 20-45 minutes at 37 °C and mechanically detached with a cell scraper.  
658 Dissociated colonies were maintained in an ultra-low-attachment dish (Nunc) under stationary conditions  
659 for two days and were fed with mTeSR Plus supplemented with 10mM ROCK inhibitor Y-27632 (Tocris,  
660 1254). From day 1, cells were maintained in Astrocyte medium (AM) (ScienCell, 1800) supplemented with

661 Astrocyte Growth Supplement (AGS, Sciencell, 1800), 2% Fetal Bovine Serum, 500 ng/ml Noggin (R&D  
662 Systems, 6057-NG), 10 ng/mL PDGFAA (Proteintech, HZ-1215) and 1x 2-Mercaptoethanol (Gibco,  
663 21985032) until day 14. On day 15, organoids (10-12 organoids in each well of six-well ultra-low-  
664 attachment plates) were transferred on to an orbital shaker (75 r.p.m.) and maintained in AM supplemented  
665 with AGS, 10 ng/ml PDGFAA, and 1x 2-Mercaptoethanol for an additional week. From day 22, organoids  
666 were maintained on orbital shaker (75 r.p.m.) in medium consisting of DMEM/F-12 with Glutamax  
667 (Thermo Fisher Scientific, 10565018), 1 x N2 supplement (Thermo Fisher Scientific, 17502-048), 1x B27  
668 (without RA) (Thermo Fisher Scientific, 12587010), 1x MEM-NEAA (Thermo Fisher Scientific,  
669 11140050), 10% Fetal Bovine Serum (Omega Scientific Cat#FB-01; Lot#991851), and 1x 2-  
670 Mercaptoethanol. Organoids cultured beyond day 60 were additionally supplemented with 20 ng/ml BDNF  
671 (R&D Systems, 248-BDB), 20 ng/ml GDNF (R&D Systems, 212-GD), 0.2 mM Ascorbic Acid (Stemcell  
672 Technologies, 72132), 0.5 mM cAMP (Tocris, 1141). All media changes were done every other day. All  
673 organoids for transplantation experiments were pre-selected for development of organized neuroepithelium  
674 budding and absence of cyst formation. In addition, organoids from the same culture batch were examined  
675 by immunostaining for verification of neuronal and glial differentiation.

676

#### 677 **Intracerebral implantation of glia-enriched cortical organoids**

678 Organoid implantations were performed as previously described<sup>16</sup>. Glia-enriched organoids were cultured  
679 *in vitro* for 8 to 10 weeks prior to implantation. Mice were anesthetized with 3-5% isoflurane inhalation  
680 for induction and 1-2% isoflurane for maintenance. Each animal was fixed onto a stereotaxic frame for the  
681 duration of all surgical procedures with body temperatures maintained at 37 °C using a water-circulation  
682 heating pad (Gaymar Industries). Dexamethasone (2.5 mg/kg) was injected subcutaneously to minimize  
683 edema. Upon the removal of the skin above the scalp, a ~3mm diameter craniotomy was performed by  
684 drilling into the skull. The underlying dura mater was subsequently removed with forceps. A unilateral  
685 lesion was created in the region of the retrosplenial cortex through aspiration with a blunt-tip needle  
686 attached to a vacuum line. The brain tissue overlying the anterior colliculus was removed and the vascular  
687 bed of the choroidal fissure was exposed. Sterile saline and a piece of Gelfoam (Pfizer) were used to prevent  
688 excessive bleeding. The organoid transplant was placed on the pial vessels overlying the collicles caudal to  
689 the hippocampus. Upon transplantation, the organoid was sealed with a 5-mm glass coverslip using  
690 adhesive glue and the wound was secured with dental cement (Stoelting)<sup>54</sup>. Upon completion of the surgery,  
691 carprofen (5 mg/kg, i.p., 100 µl of 1 mg/ml) and Buprenorphine SR-Lab (1.0 mg/kg, subcutaneous) were  
692 administered to minimize inflammation and pain. The mice were then returned to their home cages for  
693 recovery on a heating pad.

694

695 **Stereotaxic injection**

696 Mice were anesthetized with 3-5% isoflurane via inhalation for induction and 1-2% isoflurane for  
697 maintenance. Each mouse was fixed onto a stereotaxic frame for the duration of all surgical procedures  
698 with body temperatures maintained at 37 °C using a water-circulation heating pad (Gaymar Industries). For  
699 direct TNF $\alpha$  injection into brain organoids, the preexisting dental cement and cranial window were removed  
700 first, followed by injection of 1 $\mu$ l of 250 ng of recombinant human TNF $\alpha$  (Sino Biological Inc, 10602-  
701 HNAE) or saline at a speed of 1 $\mu$ l per minute using a Hamilton syringe. The 1 $\mu$ l injection volume was split  
702 across two different Z locations. After the injection was completed, the needle was retracted at a rate of  
703 0.2–0.5 mm per minute. A new cranial window was placed using adhesive glue and secured with dental  
704 cement (Stoelting). Buprenorphine SR-Lab (1.0 mg/kg, subcutaneous) was administered to minimize  
705 postoperative pain. The mice were immediately placed on a warm heating pad until recovery.

706

707 **Virus transduction**

708 pBOB-GFAP-tdTomato lentiviral vector was obtained from the lab of Dr. Inder Verma at the Salk Institute.  
709 Lentiviruses were produced by the virus core in Salk Institute. To transduce organoids, 1  $\mu$ l of lentivirus  
710 (titer was  $10^{12}$  GC/ml) was added in each well of a six-well plate containing 3 ml medium and four to six  
711 organoids. Virus-containing medium was completely changed after two days.  
712 pAAV.GFAP.eGFP.WPRE.hGH AAV5 viral prep was a gift from James M. Wilson (Addgene viral prep  
713 # 105549-AAV5; RRID:Addgene\_105549 with a titer of  $10^{13}$  GC/ml. AAV particles were injected into  
714 the mouse brain to visualize human and mouse astrocytes. Briefly, a mouse with organoid implant was  
715 anesthetized with isoflurane (5% for induction and 2% for maintenance). The mouse was fixed on the  
716 stereotaxic instrument and the glass coverslip covering the implant was drilled through. One  $\mu$ l AAV5 virus  
717 was slowly injected into the organoid transplant for a duration of 5 min. The mice were allowed to recover  
718 on a heating pad and returned to their home cages.

719

720 **Histological processing**

721 *In vitro* cultured organoids were fixed in 4% paraformaldehyde (PFA) for 45-60 minutes followed by three  
722 washings with PBS. Organoids were then transferred to 30% sucrose solution at 4°C overnight. Four to six  
723 organoids were transferred into blocks in tissue-freezing medium, frozen on dry ice, and stored at -80°C.  
724 To obtain brain tissues containing organoid implants, the mice were first deeply anesthetized with  
725 Ketamine/xylazine (130 mg/kg, 15 mg/kg; i.p.) and then subjected to transcardial perfusion of 15ml ice  
726 saline followed by 15 ml 4% PFA. The brains were subsequently dissected out and transferred into 15-ml  
727 conical tubes containing 4% PFA for post-fixation overnight at 4°C. Brains were cryoprotected for 48-72

728 hr in 30% sucrose with 0.05% NaN<sub>3</sub> at 4°C. Each brain was trimmed coronally and embedded in tissue-  
729 freezing medium (GeneralData).

730 All blocks were left to equilibrate to the temperature of the cryostat ~30 min prior to sectioning. Thirty 40-  
731 µm cryosections of organoids were obtained using a cryostat (Leica), mounted on Superfrost plus slides  
732 (Thermo Scientific, Menzel-Glaser), dried at RT for 30 min and stored at -20°C. For each section set, one  
733 section was collected onto a slide to obtain a total of 20 slides and this collection method was repeated until  
734 tissue was exhausted.

735

### 736 **Immunohistochemistry and imaging acquisition**

737 Immunofluorescence staining was performed with thawed slides, with the tissue area and slide edges  
738 outlined using a hydrophobic PAP pen. The slides were washed three times with PBS and blocked and  
739 permeabilized in blocking solution (5% normal donkey serum, 0.1% Triton X-100 in PBS) in a humidified  
740 chamber for 1h at RT. Organoid slides were incubated with primary antibodies diluted in the blocking  
741 solution at 4°C overnight. Primary antibodies used were anti-NFIA (rabbit, ab41851, Abcam; 1:250), anti-  
742 SOX2 (rat, 14-9811-82, clone#Btjce, Invitrogen; 1:400), anti-GFAP (rabbit, Z0334, Dako; 1:500), anti-  
743 GFAP (chicken, AB5541, EMD Millipore; 1:1000), anti-GFP (chicken, GFP-1020, Aves lab; 1:1000), anti-  
744 hGFAP (mouse, Y40420, clone# not provided by vendor, TaKaRa; 1:500), anti-Human Nuclear Antigen  
745 (HuNu) (mouse, ab215755, clone#235-1, Abcam; 1:250), anti-NeuN (rabbit, ABN78, EMD Millipore;  
746 1:250), anti-Ly6C (rat, ab15627, Clone# ER-MP20, Abcam; 1:500), anti-Aquaporin 4 (AQP4) (rabbit,  
747 AQP-004, Alomone Labs; 1:400), anti-Kir4.1 (rabbit, APC-035, Alomone Labs; 1:250), anti-glucose  
748 transporter GLUT1 (rabbit, ab115730, Abcam; 1:100), anti-tdTomato (rabbit, 600-401-379, Rockland;  
749 1:500), anti-Laminin (rabbit, NB300-144SS, Novus a biotechne brand; 1:500), anti-hHepaCAM (mouse,  
750 MAB4108, clone#419305, R&D Systems; 1:400), anti-S100B (rabbit, ab52642, Abcam; 1:1000), anti-  
751 TBR2/Eomes (rabbit, ab275960, Abcam; 1:250), anti-CTIP2 (rat, ab18465, clone# 25B6, Abcam; 1:200),  
752 anti-SATB2 (rabbit, ab92446, Abcam; 1:100), anti-HOPX (mouse, sc-398703, clone# E-1, Santa Cruz;  
753 1:200), anti-NG2 (rabbit, AB5320, EMD Millipore; 1:200), anti-CD31 (goat, AF3628, R&D Systems;  
754 1:500), anti-IBA1 (rabbit, 019-19741, Wako; 1:400), anti-IBA1 (goat, ab48004, Abcam; 1:400), anti-SV2  
755 (mouse, SV2-c, clone# not provided by vendor, DSHB; 1:500), anti-PSD95 (rabbit, 51-6900, Invitrogen;  
756 1:250), anti-Myelin Basic protein (MBP) (rabbit, ab218011, Abcam; 1:400), anti-CD44 (rat, MAB6127,  
757 clone # IM7.8.1R, R&D Systems; 1:500), anti-EAAT2 (mouse, sc-365634, clone# E-1, Santa Cruz; 1:250),  
758 anti-hSPARC-like 1 (HEVIN) (goat, AF2728, R&D Systems; 1:50), anti-PDGFRa (rabbit, ab203491,  
759 Abcam; 1:200), anti-hCD38 (mouse, MAB2404, clone# 240742, R&D Systems; 1:200), anti-  
760 CXCL10/IP10 (rabbit, MA5-32674, Invitrogen; 1:200), anti-CCL2/MCP-1 (rabbit, NBP1-07035, Novus a  
761 biotechne brand; 1:100), and anti-Connexin 43 (rabbit, 3512S, Cell Signaling Technology; 1:200). After

762 three washes with PBS, slides were incubated with the appropriate fluorochrome-conjugated secondary  
763 antibodies diluted in blocking solution at RT for 1h in the dark. Alexa Fluor secondary antibodies (Jackson  
764 ImmunoResearch) diluted in blocking solution at 1:250 were used. Finally, all slides were counterstained  
765 with DAPI (1 µg/ml, D9542; Sigma) for 5 min, rinsed three times in PBS before mounting with mounting  
766 solution (ProLong gold, Thermo Fisher Scientific) and left to dry for at least 48 hours at RT before imaging  
767 acquisition. Slides were stored at 4°C.

768  
769 All images were acquired on a Zeiss LSM880 confocal microscope, Olympus VS-120 Virtual Slide  
770 Scanning Microscope (Olympus), or Revolve (ECHO), and processed with Zen software (Zeiss) and ImageJ  
771 software (NIH).

772

### 773 **NanoString GeoMx Digital Spatial Profiler**

774 Formalin-fixed paraffin-embedded (FFPE) tissue from a mouse brain with human organoid transplant was  
775 sectioned at 5µm and mounted onto positively charged slides with four sections per slide; subsequently it  
776 was profiled utilizing a NanoString GeoMx Digital Spatial Profiler (NanoString Technologies) as  
777 previously described<sup>32</sup>. The NanoString commercial Human Whole Transcriptome Atlas (GeoMx WTA)  
778 panel (>18,000 protein-coding genes) was selected. Tissue morphology was visualized using fluorescent-  
779 conjugated hGFAP Alexa-Fluor-594 (STEM123, TaKaRa, conjugated using Lightning-Link Rapid Alexa  
780 Fluor 594 Antibody Labeling Kit, 8µg/ml), SOX9 Alexa Fluor-647 (clone EPR14335, ab196184, abcam,  
781 8µg/ml), and SYTO-13 to detect nucleic acids. The slide was scanned on a NanoString GeoMx DSP  
782 platform and individual regions of interest (ROIs) with a maximum diameter of 660µm were created. Once  
783 each ROI was compartmentalized, cell segmentation was performed to identify SOX9<sup>+</sup>/CYTO-13<sup>+</sup> cells for  
784 subsequent ultraviolet-cleaved indexing oligonucleotides collection into a 96-well plate. Libraries were  
785 prepared according to the manufacturer's instructions (protocol MAN-10153-03). Samples were sequenced  
786 on the Illumina MiniSeq platform (MiniSeq High Output Kit PE 75 cycles) and reads were digitally  
787 quantified and normalized using GeoMx DSP Data Analysis Suite 3.0 (NanoString Technologies) following  
788 the manufacturer's instructions<sup>32</sup>. Target filtering was applied to retain gene targets with read counts above  
789 the limit of quantification [LOQ; defined as  $\text{geomean}(\text{NegProbe}) \times \text{geoSD}(\text{NegProbe})^2$  for each ROI] in  
790 at least 10% of ROIs. Q3 normalization was applied to the filtered ROIs and gene targets. The ROIs were  
791 categorized according to the spatial groups for subsequent analysis. Differential gene expression across  
792 groups was analyzed using a linear mixed effect model followed by the Benjamini-Hochberg multiple  
793 correction test. Differentially expressed genes (DEGs) were defined as fold-change > 1.5 or < -1.5, and  
794 adjusted  $p < 0.05$ . The parameters chosen for Gene Set Enrichment Analysis included a minimum coverage

795 of 20% of genes within the pathway and a pathway size between 15 and 500 genes, employing Reactome  
796 Version Build 78 + NCBI\_08122021.

797

### 798 **Cytokine Stimulation *in vitro***

799 Organoids or purified astrocytes were treated with 50 ng/mL recombinant human TNF $\alpha$  (Sino Biological  
800 Inc, 10602-HNAE) or PBS (vehicle) for 24 hours in maturation media. After washing with PBS, the samples  
801 were changed to fresh maturation media. To assess the effect of CD38 inhibition, samples were treated with  
802 0.5  $\mu$ M 78c (Tocris Bioscience, 6391) and 50 ng/mL TNF $\alpha$  for 24 hours in maturation media, followed by  
803 0.5 $\mu$ M 78c for an additional 24 hours.

804

### 805 **Mitochondrial Morphological Analysis**

806 Purified astrocytes were transduced with a lentiviral vector encoding MitoEGFP under the CAG promoter.  
807 Cells were fixed in 4% paraformaldehyde for 10 minutes and washed for three times with PBS and subjected  
808 to immunohistochemistry and imaging acquisition. The EGFP signal (MitoEGFP) was used to analyze the  
809 mitochondrial shape in Image J (NIH).

810

### 811 **Functional Assays**

812 Reduced (GSH) and oxidized (GSSG) glutathione contents were assessed in astrocytes using the  
813 GSH/GSSG-Glo assay kit (Promega, V6611). The results are expressed as GSH/GSSG ratio. The  
814 NAD<sup>+</sup>/NADH ratio was assessed in cultured astrocytes using the NAD-Glo assay kit (Promega, G9071).

815

### 816 **Glutamate Uptake Assay**

817 Astrocytes purified from three iPSC lines of five-month-old organoids and cultured neural progenitor cells  
818 (NPCs) were incubated in Hank's balanced salt solution (HBSS) buffer without calcium and magnesium  
819 (GIBCO) for 30 minutes, followed by incubation for 2 hours in HBSS containing calcium and magnesium  
820 (GIBCO) supplemented with 100  $\mu$ M glutamate. After 2 hours, the media were collected and analyzed  
821 using a bioluminescent assay kit (Promega, Glutamate-Glo<sup>TM</sup> Assay, J7021) according to the  
822 manufacturer's instructions. Six to eight technical replicates per line were utilized.

823

### 824 **Sholl analysis**

825 GFAP::GFP AAV transduced astrocytes from three-month-old and five-month-old glia-enriched cortical  
826 organoids were stained with an antibody against GFP and imaged using a Zeiss LSM880 confocal  
827 microscope at 63x magnification with z-stack images. Images were opened in ImageJ and a maximum

828 intensity projection was performed. Astrocyte tracing was done manually using Simple Neurite Tracer tool  
829 <sup>55</sup>. Sholl analysis was carried out through Simple Neurite Tracer with radial intervals of 1.26732  $\mu\text{m}$ .

830

### 831 **Quantitative polymerase chain reaction**

832 Total RNA was purified from organoids or astrocytes with a Direct-zol RNA Purification Kit (Zymo  
833 Research, R2061), according to the manufacturer's instructions. cDNA was synthesized using SuperScript  
834 III First-Strand Synthesis System (Invitrogen). Quantitative PCR was performed using SYBR Green PCR  
835 Master Mix (Applied Biosystems) on a BioRad CFX384 thermal cycler. The relative mRNA abundance of  
836 target genes was normalized to that of GAPDH mRNA obtained in the same sample. The primer sequences  
837 are shown in Supplementary Table 11.

838

### 839 **Electron microscopy**

840 A mouse with an implanted organoid was perfused and processed for electron microscopy as described  
841 elsewhere <sup>56</sup> with some modifications. The mouse was first anesthetized with ketamine/xylazine (130 mg/kg,  
842 15 mg/kg; i.p.) and perfused with a 25 mL of warm oxygenated Ringers solution, followed by 15 mL of  
843 warm buffered fixative (2.5% glutaraldehyde, 2% paraformaldehyde, 3 mM  $\text{CaCl}_2$ , 0.15 M sodium  
844 cacodylate) with DiI added to the solution to fluorescently label vasculature as previously described <sup>33</sup>. The  
845 brain was carefully extracted from the skull and stored overnight at 4°C in fresh fixative solution. The  
846 following day, the brain was thoroughly rinsed with buffer (3 mM  $\text{CaCl}_2$ , 0.15 M sodium cacodylate) and  
847 120- $\mu\text{m}$  thick sections containing the organoid were collected using a vibrating blade microtome (Leica  
848 VT1000 S) with a bath of ice-cold buffer. Brain sections were serially rinsed with ice-cold buffer, followed  
849 by a rinse with ice-cold buffer containing 50 mM glycine. Sections were immersed in a shallow dish filled  
850 with ice-cold buffer and photographed using a dissecting microscope equipped with a camera (Olympus).  
851 Low resolution confocal imaging was performed for GFP and DiI. A small rectangle was microdissected  
852 from the center of the organoid for serial section scanning electron microscopy (SSEM). Sections used for  
853 scanning electron microscopy (SEM) were left intact for processing. Samples were processed for high  
854 contrast with heavy metals as described elsewhere <sup>57</sup>. Briefly, sections were immersed in buffered reduced  
855 osmium (1.5% osmium tetroxide, 1.5% potassium ferrocyanide, 3 mM  $\text{CaCl}_2$ , 0.15 M sodium cacodylate)  
856 for 45 minutes in the dark at RT. Samples were then serially rinsed with ice-cold distilled water before 30  
857 minutes of treatment with filtered 1% aqueous thiocarbohydrazide that was prepared at 60°C for an hour  
858 before use. Samples were serially rinsed with ice-cold distilled water before amplifying staining with 1.5%  
859 aqueous osmium tetroxide for 45 minutes in the dark at RT. Sections to be imaged by SEM were set aside  
860 at this point for serial dehydration and critical point drying (Leica CPD300). The remaining microdissected  
861 samples were serially rinsed with ice-cold water before staining overnight with 1% uranyl acetate at 4°C.

862 The next day, samples were thoroughly rinsed with RT distilled water and stained with Walton's lead  
863 aspartate for 30 min at 60°C. Samples were rinsed again with RT distilled water and serially dehydrated in  
864 ice-cold ethanol. Samples were then rinsed three times in anhydrous ethanol prior to serial infiltration with  
865 Eponate 12 resin (hard formulation) over the course of two days and finally embedded in capsules (TAAB)  
866 for polymerization in a small oven for three days at 60°C.

867

868 A ribbon of approximately 100 serial ultrathin sections was collected, and each section of approximate  
869 dimensions of 150 µm-400 µm-70 nm (x-y-z) was collected onto a silicon chip using Diatome diamond  
870 knives mounted on a Leica UC7 ultramicrotome as described elsewhere<sup>58</sup>. The chip was mounted on an  
871 aluminum stub using carbon sticky tape and loaded into a Zeiss Sigma VP scanning EM equipped with a  
872 Gatan backscattered electron detector and both SmartSEM (Zeiss) and Atlas5 (Fibics) control software. A  
873 region of interest (ROI) near the center of the organoid implant was identified and images were acquired  
874 with an accelerating voltage of 1.5 kV, a 20-µm aperture, at a working distance of 9 mm. A multi-resolution  
875 map of a central section was acquired, identifying candidate blood vessels for further 3D analysis.  
876 Contiguous high-resolution images (8-8-70 nm/voxels x-y-z) of a representative ROI containing a blood  
877 vessel were assembled into a series of 8-bit tiff files. Serial images were aligned using AlignEM-SWiFT to  
878 form a continuous 3D representation of the tissue volume.

879

880 Endothelial cell processes, a pericyte, and astrocyte processes contacting the blood vessel as well as tight  
881 junctions and basement membrane were identified by their ultrastructural characteristics and annotated  
882 using VAST Lite software. Cells and nuclei were exported using the VAST Lite Matlab toolkit as .obj files,  
883 which were imported into Blender software equipped with GAMer and Neuromorph add-ons. Object  
884 meshes were processed with GAMer to optimize geometry for visualization, before superimposition with  
885 3DEM data using Neuromorph. In this fashion, data were interrogated and rendered scenes and animations  
886 were produced using Blender. For video figures, rendered scenes were assembled into .avi files using  
887 ImageJ, post-processed using After Effects (Adobe), and compressed using Handbrake  
888 (<https://handbrake.fr/>).

889

### 890 **Dissociation of brain organoids and single nucleus RNA-seq**

891 Nuclei extraction from fresh dissected *in vivo* brain organoids was performed according to a demonstrated  
892 protocol CG000124 (Rev E, nuclei isolation from cell suspensions and tissues for single cell RNA  
893 sequencing) from 10x Genomics with minor modification. Briefly, freshly dissected *in vivo* brain organoids  
894 were pooled and lysed using a Dounce homogenizer in 1 ml of freshly prepared cold lysis buffer (TrisHCl  
895 pH 7.4 10 mM, NaCl 10 mM, MgCl<sub>2</sub> 3 mM, NP-40 0.1% in nucleus free water). Nuclei were centrifuged

896 at 500 g for 8 min and supernatant was discarded. Nuclei were then resuspended in freshly prepared cold  
897 nuclei wash & resuspension buffer (PBS, 1%BSA, Rnase inhibitor 0.2 U/ $\mu$ l) and filtered through a 35- $\mu$ m  
898 strainer (Corning). Nuclei were centrifuged at 500 g for 5 minutes and resuspended again in nuclei wash  
899 and resuspension buffer for a total of two washes. After the second wash, nuclei were resuspended in ice-  
900 cold nuclei wash and resuspension buffer at a concentration of 800-1,200 cells/ $\mu$ l, and approximately  
901 17,400 cells per channel (to give estimated recovery of 10,000 cells per channel) were loaded onto a  
902 Chromium Next GEM Chip G (10x Genomics) and processed through the Chromium controller to generate  
903 single-cell gel beads in emulsion (GEMs). snRNA-seq libraries were prepared with the Chromium  
904 NextGEM Single Cell 3' GEM Library & Gel Bead Kit v.3.1 (10x Genomics) as per manufacturer' s  
905 instruction. Libraries from different samples were pooled and 20,000 reads per nucleus were sequenced on  
906 a NovaSeq6000 (Illumina) or a NextSeq (Illumina) with 28 bases for read 1, 91 bases for read 2 and 8 bases  
907 for index 1.

908

#### 909 **Dissociation of organoid transplants and single cell RNA-seq**

910 Single cell dissociation from fresh dissected *in vivo* brain organoids was performed using Neural Tissue  
911 Dissociation Kit (Miltenyi Biotec, 130-092-628) as per manufacturer's instruction. Red blood cells were  
912 lysed with Red Blood Cell Lysis Solution (Miltenyi Biotec, 130-094-183) for 3 min and washed with 0.1%  
913 BSA in 1 $\times$  PBS and prepared for downstream applications. Cells were stained with PE anti GLAST  
914 antibody (Miltenyi Biotec, 130-118-483, 1:50) for 30–40 min in the dark on ice and washed with PBS and  
915 resuspended in 0.1% BSA in 1 $\times$  PBS. Cells were incubated with DAPI prior to sorting. After sorting, cells  
916 were resuspended in ice-cold PBS at a concentration of 500-1,200 cells/ $\mu$ l and subjected to Single Cell  
917 Sequencing (10x Genomics) as described above.

918

#### 919 **Single-nucleus and Single-cell RNA-seq data analysis**

920 The Cell Ranger 6.0.1 pipeline (10x Genomics) was used to align reads from RNA-seq to the 10x hg19  
921 human reference genome v1.2.0 and 10x mm10 mouse reference genome v1.2.0 and produce the associated  
922 cell-by-gene count matrix for the organoid transplants. The Cell Ranger 6.0.1 pipeline (10x Genomics) was  
923 used to align reads from RNA-seq to the 10x hg19 human reference genome v1.2.0 and produce the  
924 associated cell-by-gene count matrix for the *in vitro* organoids. Default parameters were used, except for -  
925 include-introns argument for nuclei samples. Unique molecular identifier (UMI) counts were analyzed  
926 using the Seurat R package v.4.0.1<sup>59</sup>. Human cells or nuclei (defined as nuclei with >95% genes mapped to  
927 hg19) were kept for subsequent analysis. Nuclei with <1% of mitochondrial contamination and between  
928 500 and 6,000 expressed genes were retained for further analysis. Cells with <20% of mitochondrial  
929 contamination and between 500 and 6,000 expressed genes were retained for further analysis. To prepare

930 for integration, SCTransform was performed, and the top 3000 features were used to find integration  
931 anchors. Integration was performed using the SCT normalized method. Principal component analysis (PCA)  
932 was performed on the scaled data for the variable genes and the top 30 principal components were  
933 implemented for the unsupervised clustering. Cells were clustered in PCA space using the FindNeighbors  
934 function (top 30 principal components) and FindClusters function. Variation in the cells was visualized by  
935 UMAP.

936  
937 Differentially expressed genes (DEGs) were defined as genes significantly expressed (P adjusted for  
938 multiple comparisons  $< 0.05$ ) in  $\geq 25\%$  of cell populations with  $>0.25$ -fold difference (log scale) between  
939 groups of nuclei. DEGs between clusters of astrocytes before and post TNF $\alpha$  treatment were identified as  
940 genes significantly expressed (P adjusted for multiple comparisons  $< 0.05$ ) with  $>0.25$ -fold difference (log  
941 scale). Visualization of intersecting genes was plotted using UpSetR (v1.4.0)<sup>60</sup>. Gene Ontology (GO) terms  
942 of DEGs were represented using a maximum of 100 genes (Wilcoxon test,  $p < 0.05$ ,  $\log_{2}FC > 0.25$ ) using the  
943 Enrichr<sup>61</sup> database “GO\_Biological\_Process\_2021”.

944

#### 945 **Cluster correlation**

946 For both eight-month-old organoid transplant and integrated snRNA-seq datasets, marker genes in each  
947 cluster were identified using FindAllMarkers() in Seurat, requiring to be detected in at least 25% of cells  
948 with log fold-change larger than 0.25. The top 50 marker genes from each cluster were selected by fold-  
949 change expression for the correlation analysis. The expression of top markers was averaged across cells  
950 within each cluster of our dataset and each annotated cell type in reference human brain dataset across six  
951 cortical areas from Allen Brain Atlas<sup>48</sup>. Pearson correlation coefficient between our dataset the reference  
952 was calculated across clusters and presented in heatmap.

953

#### 954 **Module expression analysis**

955 To calculate differential expression of modules, the AddModuleScore function from Seurat was applied  
956 using the top 50 expressed genes from the upregulated mature astrocyte gene list curated from Zhang et al.  
957 2016. Two-sided wilcoxon test was applied comparing the module scores in astrocytes from different time  
958 point, using the stats R package.

959

#### 960 **Weight gene coexpression network analysis**

961 To learn patterns of coordinated gene regulation across the cells, we applied scWGCNA v0.0.0.9000<sup>26</sup> to  
962 several dataset. We selected genes expressed in at least 5% of cells for downstream analysis. To construct  
963 metacell gene expression matrix, the K-Nearest Neighbors algorithm was used to identify groups of similar

964 cells, and then the average expression of these cells was computed using the MetacellsByGroups function.  
965 For 10-week-old organoids and eight-month-old transplants, during metacell computation, we pooled 50  
966 cells within the same cell type per cell line to retain the metadata for scWGCNA. For the integrated datasets,  
967 we pooled 25 cells within the same cell type for each time point. We then set up the expression matrix for  
968 the cell type of interest. To pick an adequate power for each dataset, we used the TestSoftPowers function  
969 to test values from 1 to 30. We next constructed a co-expression network with the selected soft power. To  
970 compute the harmonized module eigengenes, ScaleData function was performed to regress variable features  
971 including “nFeature\_RNA” and “percent.mt”, and module eigengenes were calculated using the  
972 ModuleEigengenes function. Default parameter was used to compute module connectivity. To compute hub  
973 gene signature score, the top 25 hub genes by eigengene-based connectivity were used. GO terms of each  
974 module were analyzed using the top 100 hub genes using the Enrichr <sup>61</sup> database  
975 “GO\_Biological\_Process\_2021”.

976

### 977 **Pseudotime analysis**

978 To prepare cells for pseudotime analysis, the unknown cluster was first removed, and the samples were re-  
979 integrated using the SCT method in Seurat. PCA was then calculated, and the top 30 principal components  
980 was used for UMAP visualization. Pseudotime analysis was performed using the Monocle3 v.1.0.0 software  
981 package <sup>35</sup> with the default parameters. The cells were subset to contain an equal amount from different  
982 time points. A starting point for the trajectory was chosen manually by finding an endpoint for the earliest  
983 developmental cell type. To test cell distribution along the trajectory, a one-sided Kolmogorov–Smirnov  
984 test was applied comparing the distribution of pseudotime values of cells from different time point, using  
985 the stats R package.

986

### 987 **Cell type and age prediction**

988 Cell type prediction was carried out with Seurat package (v4.2.0), with the published integrated dataset as  
989 reference<sup>59</sup>. The reference dataset was projected onto our query data based on the anchors identified by the  
990 FindTransferAnchors function, and the label of the cell type was predicted using the TransferData function.  
991 Cells that were not assigned with any reference labels were defined as “Undetermined”. The original  
992 annotation and prediction labels were presented in original UMAP space. The concordance between the  
993 original annotation and prediction was measured by calculating the assignment percentage of every type of  
994 annotated cells to the reference labels, which were then displayed in a heatmap.

995

996 For age prediction, our data were integrated with the reference age dataset <sup>34</sup> using CCA merge method in  
997 Seurat <sup>59</sup>. Within the integrated UMAP space, a KNN regression was carried out using the knn.reg function

998 from FNN R package (v1.1.3) with 10 nearest neighbors. Cell ages were estimated from the arcsinh  
999 transformation of the reference ages, taking the mean of its neighbors. The age distribution among different  
1000 groups was compared using the Wilcoxon rank-sum test.

1001  
1002 **Enrichment analyses**  
1003 Gene set enrichment analyses of Hallmark gene sets and GO terms were performed with WebGestaltR  
1004 package (v0.4.4) with an FDR <0.05 as the significance threshold, protein coding genes as the reference  
1005 list, a minimum number of genes in a category of 5, permutation time of 1000<sup>62</sup>. To prepare the input  
1006 ranked gene list for GSEA, differential expression analyses was performed between two conditions using  
1007 the FindMarkers function from Seurat. Genes were scored and ordered by the resulting P values and fold  
1008 changes.

1009  
1010 **Data availability**  
1011 Single nucleus RNA-seq data is available in GEO under the accession number GSE185472. The following  
1012 public datasets were used for snRNA-seq analysis: Allen Brain Institute human adult snRNA-seq data from  
1013 multiple cortical areas ([https://portal.brain-map.org/atlas-and-data/rnaseq/human-multiple-cortical-](https://portal.brain-map.org/atlas-and-data/rnaseq/human-multiple-cortical-areas-smart-seq)  
1014 [areas-smart-seq](https://portal.brain-map.org/atlas-and-data/rnaseq/human-multiple-cortical-areas-smart-seq); accessed October 2022), snRNA-seq data from broad temporal coverage from fetal to  
1015 adulthood stages of the Brodmann area 8, 9, 10, and 46 prefrontal cortex regions (Gene Expression Omnibus  
1016 accession number GSE168408), and snRNA-seq from eight-month-old cortical organoid transplants (Gene  
1017 Expression Omnibus accession number GSE190815). For single-nucleus analysis, we used hg19 human  
1018 reference genome v1.2.0 and mm10 mouse reference genome v1.2.0 provided by 10X. The sequences and  
1019 gene files used to build the references can be achieved at [ftp://ftp.ensembl.org/pub/grch37/release-](ftp://ftp.ensembl.org/pub/grch37/release-84/fasta/homo_sapiens/dna/)  
1020 [84/fasta/homo\\_sapiens/dna/](ftp://ftp.ensembl.org/pub/grch37/release-84/gtf/homo_sapiens/) and [ftp://ftp.ensembl.org/pub/grch37/release-84/gtf/homo\\_sapiens/](ftp://ftp.ensembl.org/pub/grch37/release-84/gtf/homo_sapiens/) (for  
1021 human hg19 genome); [ftp://ftp.ensembl.org/pub/release-84/fasta/mus\\_musculus/dna/](ftp://ftp.ensembl.org/pub/release-84/fasta/mus_musculus/dna/) and  
1022 [ftp://ftp.ensembl.org/pub/release-84/gtf/mus\\_musculus/](ftp://ftp.ensembl.org/pub/release-84/gtf/mus_musculus/) (for mouse mm10 genome). All other raw data  
1023 used for plotting in the figures are provided as Source Data.

1024  
1025 **Statistics and Reproducibility**  
1026 Statistical analyses were conducted using GraphPad Prism 9 and R (v4.1.2). The specific methods employed  
1027 to determine significance are detailed in the figure legends. Exact statistical values are presented in the  
1028 figures and the Source Data. The data presented from representative experiments were independently  
1029 replicated at least three times with similar outcomes, unless explicitly indicated by the sample size noted in  
1030 each figure or Method section. This includes all microscopy data and quantitative PCR data.

1031

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1079

1 **Morphological diversification and functional maturation of human astrocytes in glia-enriched**  
2 **cortical organoids transplanted in the mouse brain**

3  
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21  
22 **Abstract**

23  
24 Astrocytes, the most abundant glial cell type in the brain, are underrepresented in traditional cortical  
25 organoid models due to the delayed onset of cortical gliogenesis. Here, we introduce a novel glia-enriched  
26 cortical organoid model that exhibits accelerated astroglial gliogenesis. We demonstrated that induction of a  
27 gliogenic switch in a subset of progenitors enabled rapid derivation of astroglial cells, which account for  
28 25-31% of the cell population within eight to ten weeks of differentiation. Intracerebral transplantation of  
29 these organoids reliably generated a diverse repertoire of cortical neurons and anatomical subclasses of  
30 human astrocytes. Spatial transcriptome profiling identified layer-specific expression patterns among  
31 distinct subclasses of astrocytes within the organoid transplants. Using an *in vivo* acute  
32 neuroinflammation model, we identified a subpopulation of astrocytes that rapidly activates  
33 proinflammatory pathways upon cytokine stimulation. Additionally, we demonstrated that CD38

34 signaling plays a crucial role in mediating metabolic and mitochondrial stress in reactive astrocytes. This  
35 model provides a robust platform for investigating human astrocyte function.

36

37

38 **Main text**

39 Astrocytes comprise the most abundant glial cell type in the human brain, and their dysfunction has been  
40 implicated in numerous neurological disorders <sup>1</sup>. However, our ability to elucidate the roles of astrocytes in  
41 brain development and in the pathogenesis of brain disorders has been limited by the scarcity of accessible  
42 human astrocytes in a brain environment. Brain organoid models have emerged as valuable tools for  
43 investigating human brain development and disorders, as they exhibit self-organized properties that  
44 recapitulate certain aspects of the developing human brain <sup>2-6</sup>. Nonetheless, current cortical brain organoid  
45 systems have limitations in efficiently generating astrocytes <sup>7,8</sup>, mainly due to the extended time required  
46 for the progenitor cells to acquire glial competency <sup>9</sup>. In human cortical organoid systems, astrogliogenesis  
47 begins gradually at three months of differentiation and undergoes a maturation process lasting over a year  
48 <sup>7</sup>. Attempts to accelerate astrocyte differentiation from human induced pluripotent stem cells (hiPSCs) have  
49 shown promise either by transiently overexpressing a critical gliogenic factor <sup>10,11</sup> or by triggering a  
50 gliogenic switch with a specific set of patterning factors <sup>12,13</sup>. However, it remains unclear whether these  
51 patterning factors can be successfully applied to a cortical organoid patterning paradigm to generate glia-  
52 enriched cortical organoids.

53

54 Cells or organoids cultured *in vitro* also lack the blood circulation and the cortical organization of the brain.  
55 The brain is a highly vascularized organ that is connected with the systemic circulation. Astrocyte  
56 projections form glia limitans surrounding the vessels, regulating the communication between brain and  
57 circulation, and maintaining brain homeostasis <sup>14,15</sup>. Transplantation of human brain organoids into rodent  
58 brains enables the successful survival, integration, and formation of functional circuits of the human brain  
59 organoids *in vivo* <sup>16-22</sup>.

60

61 In this study, we present a glia-enriched cortical organoid model that facilitates accelerated astrogliogenesis.  
62 By triggering a gliogenic switch in 28-33% of the cells in the organoids at three weeks of differentiation,  
63 we achieved efficient derivation of astroglia comprising 25-31% of the cell population by eight to ten weeks  
64 of differentiation. To investigate astrocyte function in a brain environment, we employed an intracerebral  
65 transplantation method <sup>16</sup> that yielded highly vascularized *in vivo* brain organoids. The organoid transplants  
66 displayed robust integration into the host brain and developed anatomically defined morphological  
67 subclasses of human astrocytes. Spatial genomics further revealed layer-specific molecular signatures  
68 among different subclasses of human astrocytes. Moreover, we observed the formation of perivascular  
69 astrocytic endfeet ensheathing the vessels within the transplants. Using single nucleus RNA-sequencing  
70 (snRNA-seq), we found advanced maturation of astrocytes in our organoid transplants compared to cortical  
71 organoid transplants. Additionally, we showed that differentially expressed genes (DEGs) associated with

72 acute reactivity exhibited significant heterogeneity across astrocyte subpopulations in an *in vivo* model of  
73 acute neuroinflammation. Notably, we demonstrated that the metabolic and mitochondrial stresses in  
74 reactive astrocytes were mediated through CD38 signaling and that treatment with a potent CD38 inhibitor  
75 effectively alleviated a wide range of stresses induced by inflammation in astrocytes.

### 77 **Rapid astrogliogenesis in glia-enriched cortical organoids**

78  
79 Astrocytes, like neurons and oligodendrocytes, originate from the radial glial cells in the subventricular  
80 zone (SVZ). Because astrogliogenesis occurs late during development <sup>9</sup>, most brain organoid models do  
81 not develop astrocytes until a very late stage. We hypothesized that triggering an early gliogenic switch in  
82 a subset of progenitors during neuroectoderm specification would enable rapid derivation of glial cells in a  
83 human cortical brain organoid model (Fig.1a and Extended Data Fig.1a). To induce an early gliogenic  
84 switch, we supplemented the neuroectoderm induction media with the previously reported gliogenic agent  
85 platelet-derived growth factor (PDGF-AA) and cultured the organoids in astrocyte medium <sup>12,13</sup> (Fig.1a).  
86 Organoids cultured under the gliogenic condition demonstrated robust upregulation of gliogenic factor  
87 NFIA at three weeks of differentiation (Fig.1b,c and Extended Data Fig.1b), indicating early glial patterning  
88 in a subset of progenitor cells, whereas forebrain organoids cultured under published methods <sup>23,24</sup> had  
89 almost no detectable NFIA expression at the same time point (Fig.1b,c). As early as eight weeks of  
90 differentiation, glia-enriched cortical organoids had substantially greater gliogenesis compared to the  
91 forebrain organoids, supported by the upregulation of astrocyte markers GFAP and HepaCAM (Fig.1d-g  
92 and Extended Data Fig.1c). In addition to astrocytes, robust neurogenesis was observed at eight weeks of  
93 differentiation (Extended Data Fig.1d). Compared to organoids cultured in a serum-free condition, glia-  
94 enriched cortical organoids cultured in differentiation media containing fetal bovine serum (FBS) displayed  
95 the most efficient derivation of astrocytes at three months of differentiation (Extended Data Fig.1e,f).

96  
97 To identify cell-type diversity in glia-enriched cortical organoids, we carried out snRNA-seq on nuclei  
98 isolated from 10-week-old organoids generated from two pluripotent stem cell lines. We first applied  
99 uniform manifold approximation and projection (UMAP) dimensionality reduction and Louvain clustering  
100 to the snRNA-seq datasets, identifying multiple neuronal and glial subpopulations (Fig.1h, Extended Data  
101 Fig.2a-c, Supplementary Table 1). The majority of excitatory neurons were committed to a cortical identity,  
102 characterized by the expression of cortical neuronal markers (e.g. CTIP2, CUX2, and SATB2) (Extended  
103 Data Fig.1d and 2b-c). Astroglia comprised 25-31% of the total population; 5-8% of these were proliferating  
104 progenitor cells and 20-23% were astrocytes (Extended Data Fig. 2a-c). To contextualize early neurogenesis  
105 and gliogenesis in a systems-level framework, we applied a single-cell weighted gene coexpression network

106 analysis (WGCNA)<sup>25,26</sup>. By computing the average expression of 50 neighboring cells from each major  
107 cell type, we constructed co-expression networks for the astrocytes from the snRNA-seq dataset and  
108 identified two astrocyte gene modules (Fig.1i,j, Extended Data Fig.2d,e, Supplementary Table 2). The hub  
109 genes of astrocyte module M12 consisted of genes that function in cell-cell adhesion (TJP1, ID3, and  
110 FGFR1), and the hub genes of module M14 consisted of many known glial markers, including  
111 transcriptional factors ZBTB20 and GLI3 and glutamate transporter SLC1A3 (Fig.1k). Similarly, we  
112 constructed co-expression networks for the cortical excitatory neurons and identified four co-expression  
113 gene modules highly expressed in these cells (Extended Data Fig.2f-j, Supplementary Table 3). Collectively,  
114 transcriptomic analysis of 10-week-old glia-enriched cortical organoids confirmed robust neurogenesis and  
115 astrogliogenesis.

116  
117 Protoplasmic astrocytes are the most abundant astrocyte subtypes in the gray matter and exhibit highly  
118 ramified processes<sup>27</sup>. Astrocyte morphogenesis depends on direct interaction with neuronal processes<sup>28</sup>.  
119 We hypothesized that our organoid model supports robust astrocyte morphogenesis. To study the  
120 morphological characteristics of astrocytes during organoid differentiation, we transduced glia-enriched  
121 cortical organoids with GFAP::GFP adeno associated virus (AAV) and carried out Sholl analysis and  
122 morphological analyses of virus-labeled astrocytes (Fig.1l-n). Astrocytes exhibited process-bearing  
123 morphology at three months of differentiation and displayed robustly increased branch complexity over  
124 time, such as an increased number of primary processes, number of branches, and total length of the  
125 processes (Fig.1l-n). Immunostaining confirmed that AAV-transduced astrocytes expressed many mature  
126 astrocyte markers, and their processes were closely associated with synapses (Extended Data Fig.3a-e).  
127 Furthermore, AAV-transduced astrocytes were capable of glutamate uptake (Extended Data Fig.3f). Taken  
128 together, these data indicate successful generation of functional astrocytes *in vitro*.

129

### 130 **Formation of astrocyte morphological subclasses *in vivo***

131

132 To better mimic the endogenous microenvironment, we performed intracerebral transplantation of 8- to 10-  
133 week-old glia-enriched cortical organoids into a cavity made in the retrosplenial cortex of immunodeficient  
134 (NOD.Cg-Prkdc<sup>scid</sup> Il2rg<sup>tm1Wjl</sup>/SzJ or NSG) mice (Fig.2a). Glia-enriched cortical organoids exhibited robust  
135 integration into the lesion cavity (Fig.2b,c and Extended Data Fig.4a-d). Immunostaining confirmed that  
136 nearly all NeuN and GFAP expression in the transplants coincided with HuNuclei expression and human  
137 GFAP (hGFAP) expression, respectively (Extended Data Fig.4a,b), indicating that neurons and astrocytes  
138 in the transplants were derived nearly exclusively from the human organoids. Human astrocytes exhibit a  
139 notably intricate morphology in contrast to their rodent counterparts<sup>29</sup>. Stereotactic viral labeling of

140 astrocytes with GFAP::GFP AAV revealed that human astrocytes in the transplants differed from the host  
141 astrocytes in that the human protoplasmic astrocytes were far more elaborate and larger (Fig.2d,e). In  
142 addition, human protoplasmic astrocytes extended long processes to the vasculature whereas the rodent  
143 astrocytes formed rosette-like structures around the vasculature (Fig.2f). Collectively, these results suggest  
144 that human protoplasmic astrocytes maintain their characteristic species-specific features in the transplants.

145  
146 Studies revealed intrinsic differences between human astrocytes and those of lower mammals<sup>30,31</sup>,  
147 including anatomically defined subclasses of human astrocytes that are absent in rodents<sup>29</sup>. Besides the  
148 predominant protoplasmic astrocytes, at least three additional major morphological subclasses of GFAP<sup>+</sup>  
149 astrocytes have been identified in the adult human temporal lobe, including interlaminar astrocytes, fibrous  
150 astrocytes, and varicose projection astrocytes<sup>29</sup>. We identified primate-specific interlaminar astrocytes at  
151 the pial surface of the transplant-forming fibers that both contributed to the glial limitans at the pial surface  
152 and penetrated deeper layers of the transplants; we also observed abundant ramified protoplasmic astrocytes  
153 in cortical layers of the transplants and fibrous astrocytes in deep layers of the transplants adjacent to white  
154 matter (WM), with relatively unbranched, straight GFAP<sup>+</sup> processes (Fig.2c and Extended Data Fig.4e).  
155 Notably, the formation of morphological subclasses of astrocytes in the transplants was accompanied by  
156 differential expression of CD44 and S100B (Extended Data Fig.4f,g). To further explore the morphological  
157 subclasses of GFAP<sup>+</sup> astrocytes, we used GFAP::tdTomato lentiviral transduced organoids for  
158 transplantation. Viral labeling enabled the identification of far more astrocytic processes than  
159 immunohistochemistry for GFAP (Fig.2g). Viral labeling also revealed human- and higher-order primate-  
160 specific varicose projection astrocytes, characterized by long fibers with prominent varicosities (Fig.2g).  
161 Together, these results show that intracerebral transplantation creates a permissive environment for the  
162 specification of anatomically defined human astrocyte subclasses.

163  
164 To decipher the molecular signatures of astrocytes across transplant layers, we next spatially profiled the  
165 expression of human protein-coding genes on formalin-fixed paraffin-embedded (FFPE) sections using the  
166 NanoString GeoMx human whole-transcriptome atlas (WTA; > 18,000 genes) assay<sup>32</sup> (Fig.2h). We first  
167 selected the regions of interest (ROIs) across different transplant layers (i.e., pial, cortex, and WM) and  
168 then performed segmentation of astrocytes within each ROI according to SOX9<sup>+</sup> staining (Fig.2i,j and  
169 Extended Data Fig.5a). Utilizing Principal Component Analysis (PCA), we observed separations in the  
170 gene expression profiles between layer-specific astrocytes (Fig.2k). Comparative transcriptomic analysis  
171 revealed that expression levels of many established astrocyte markers varied according to their specific  
172 locations (Fig.2l,m, Extended Data Fig.5b, and Supplementary Table 4-6). Pial interlaminar astrocytes  
173 demonstrated elevated expression levels of astrocyte markers such as Glial Fibrillary Acidic Protein

174 (GFAP), Aquaporin 4 (AQP4), and transcriptional repressors ID1 and ID3 (Fig.21,m). Meanwhile, fibrous  
175 astrocytes within the WM displayed increased expression of Thrombospondin 4 (THBS4) and transcription  
176 factor HES2, and cortical gray matter (predominantly protoplasmic) astrocytes demonstrated elevated  
177 expression of Solute Carrier Family 1 Member 2 (SLC1A2), ATPase Na<sup>+</sup>/K<sup>+</sup> Transporting Subunit Alpha  
178 2 (ATP1A2), Sterol Regulatory Element Binding Transcription Factor 2 (SREBF2), and Neuroglycan C  
179 (CSPG5) (Fig.21,m). We then carried out gene set enrichment analysis (GSEA) and identified that cortical  
180 (predominantly protoplasmic) astrocytes exhibited enrichment in genes associated with steroid metabolism,  
181 cholesterol biosynthesis, neurotransmitter release cycle, and nervous system development, highlighting  
182 their close interaction with neurons (Extended Data Fig.5c). To further explore the interactions between  
183 astrocytes and neurons, we confirmed the expression of glutamate transporter EAAT2 (gene name SLC1A2)  
184 and synaptogenic proteins HEVIN (gene name SPARCL1) in human protoplasmic astrocytes by  
185 immunostaining (Extended Data Fig.6a,b). Electron microscopy (EM) revealed the presence of multi-  
186 synaptic boutons (Extended Data Fig.6c), indicating neuronal maturation in the transplants. To investigate  
187 the physical proximity of synapses and astrocytes in the transplants, we employed serial-sectioning EM and  
188 reconstructed a dendrite with spines (Extended Data Fig.6d). We observed that the astrocytic processes  
189 were surrounding the synapse (Extended Data Fig.6e), indicating a close association of human astrocytes  
190 with synapses *in vivo*. Collectively, these findings demonstrated functional diversification of astrocyte  
191 subclasses at the molecular level.

192

### 193 **Human astrocytes form perivascular astrocytic endfeet**

194

195 In the brain, astrocytes are uniquely positioned to interact with both neurons and the vasculature. We  
196 observed an extensive host vascular network and microglia infiltrating into the transplants (Extended Data  
197 Fig.6f-i). Unlike the *in vitro* astrocytes, protoplasmic astrocytes in the transplants established spatial  
198 territory (Fig.3a,b). Astrocytic processes interact with blood vessels through cap-like cytoplasmic processes  
199 called astrocytic endfeet. Specific channels and transporters, for example AQP4 and Kir4.1, are targeted to  
200 astrocyte endfeet to control water and ion homeostasis at the vessel-neuron interface<sup>15</sup>. Immunostaining  
201 for the water channel protein AQP4 demonstrated polarized expression at the endfeet of the human  
202 astrocytes in the transplants, in sharp contrast to the *in vitro* astrocytes (Fig.3c). This finding was further  
203 confirmed by the expression of the inward-rectifier potassium channel Kir4.1 at the perivascular astrocyte  
204 endfeet processes and of the glucose transporter Glut-1 at the astrocyte-vessel interface (Extended Data  
205 Fig.6j,k). These results provide evidence that the *in vivo* environment facilitates formation of astrocytic  
206 endfeet structure.

207

208 We next carried out EM to transplants derived from the GFP-transduced H9 hESC line to investigate the  
209 interaction between human astrocytes and host vasculature. Blood vessels were directly labeled by trans-  
210 cardiac perfusion with a fluorescent lipophilic carbocyanine dye that incorporates into endothelial cell  
211 membranes upon contact<sup>33</sup> (Extended Data Fig.6l). The structure of the blood vessels was well maintained  
212 when examined under scanning EM, where tight junctions and marginal folds were clearly visible between  
213 endothelial cells (Fig.3d). Glycogen granules and intermediate filament were also found in the astrocytes  
214 surrounding the vessels (Fig.3e). We next reconstructed elements of a blood vessel and perivascular  
215 astrocytes from a three- $\mu$ m segment of a capillary found near the center of the transplant using serial section  
216 EM (Fig.3f,g and Supplementary Video 1). Tight junctions were visible between endothelial cells in the  
217 electron micrograph (Extended Data Fig.6m). Astrocytic processes wrapped around the vessel and  
218 apparently covered the entire surface, suggesting the formation of glia limitans surrounding the vasculature.  
219 Together, these results demonstrate the close coupling of human astrocytes to the host vasculature.

220

### 221 **Enhanced cell maturation in engrafted organoids**

222

223 To systematically investigate neuronal and glial development and maturation, we carried out snRNA-seq  
224 on five-month-old *in vitro* organoids, five-month-old transplants, six-month-old transplants, and eight-  
225 month-old transplants from two pluripotent stem cell lines (Fig.4a). We first performed batch-correction  
226 integration and UMAP dimensionality reduction, identifying subpopulations of neuronal and glial cells  
227 (Fig.4b,c, Extended Data Fig.7a-c, and Supplementary Table 7). We next leveraged a transfer learning  
228 strategy to integrate our dataset into a published atlas of postmortem prefrontal cortex samples from  
229 individuals spanning fetal, neonatal, infancy, childhood, adolescence, and adult stages of development<sup>34</sup>,  
230 and we estimated the cell states and their developmental stages in our organoid nuclei (Extended Data  
231 Fig.7d-g). Most organoid nuclei from five-month-old organoids aligned with fetal populations of the  
232 reference dataset (Fig.4d). Notably, with transplantation and increasing organoid age, more nuclei displayed  
233 characteristics of postnatal cells (Fig.4d), in particular upper-layer (UL) excitatory neurons, with 6.1% of  
234 ULs for the five-month organoids aligned to postnatal stages, compared with 30.2% for the five-month  
235 transplants and 94.5% for the eight-month transplants (Extended Data Fig.7h).

236

237 To determine the genes involved in astrocyte development and function, we constructed co-expression  
238 networks using astrocytes from the integrated snRNA-seq data and identified an astrocyte gene module  
239 (M5) containing genes associated with glutamate transport (Fig.4e,f, Extended Data Fig.8a,b, and  
240 Supplementary Table 8). Analysis of the harmonized module score of gene module M5 in astrocytes  
241 revealed increased expression of the module genes in the transplants compared to the *in vitro* organoids

242 (Fig.4g). We next curated the top 50 expressed genes from the upregulated gene list in mature human  
243 astrocytes versus fetal human astrocytes as reported in Zhang et al., 2016<sup>30</sup>, and we identified elevated  
244 expression of the mature human astrocyte genes in the transplants compared to the *in vitro* organoids  
245 (Fig.4h,i). To further uncover glial heterogeneity and maturity, we performed pseudotime trajectory  
246 analysis using monocle 3<sup>35</sup> on the integrated snRNA-seq data in glia (Fig.4j). Setting progenitors as the  
247 starting time point for astrocytes, pseudotime trajectory analysis revealed more cells towards the end point  
248 of the trajectory in the transplants, progressing from glial progenitors to astrocytes (Fig.4j). Similarly,  
249 WGCNA and pseudotime analyses of immature and mature UL excitatory neurons revealed more advanced  
250 excitatory neuronal maturation *in vivo* (Extended Data Fig.8c-g and Supplementary Table 9). Collectively,  
251 these results provide evidence that transplantation facilitates organoid maturation.

252

253 To compare the cell states of our organoid transplants with previously reported cortical organoid  
254 transplants<sup>21</sup>, we integrated snRNA-seq data from the cortical organoid transplants into our dataset and  
255 conducted a cell-type prediction analysis. The analysis confirmed a high degree of similarity in cell-type  
256 identity between our eight-month-old organoid transplants and the eight-month-old cortical organoid  
257 transplants<sup>21</sup> (Fig.4k,l). We then focused on examining the distribution of astrocyte nuclei ages using the  
258 age-prediction analysis. Our differentiation paradigm supported enhanced astrocyte maturation, with 75.8%  
259 of the nuclei aligned to postnatal cells over the age of 301 days, as estimated through molecular equivalence  
260 using the brain reference dataset, compared to 56.2% of nuclei in previously reported cortical organoid  
261 transplants (Fig.4m). Overall, these data suggest that our differentiation paradigm enhances astrocyte  
262 maturation.

263

### 264 **Characterization of proinflammatory pathways in astrocytes**

265

266 Reactive astrocytes are induced by CNS injuries and diseases<sup>36</sup>, as characterized by upregulation of genes  
267 that can modulate CNS inflammation<sup>1,37</sup> and formation of a glial scar after CNS trauma<sup>38</sup>. Despite  
268 significant progress in our understanding of this pronounced transformation process, our knowledge of  
269 astrocyte reactivity has been predominantly based on rodent cells. To investigate the reactive transformation  
270 of human astrocytes *in vivo*, we performed stereotaxic injections of either saline or recombinant human  
271 tumor necrosis factor alpha (TNF $\alpha$ ), an inflammatory cytokine known to induce reactive astrogliosis<sup>1,37</sup>,  
272 into the transplants, and performed fluorescence activated cell sorting to purify glial cells for single-cell  
273 RNA-seq five hours post injection (Fig.5a-c, Extended Data Fig.9a,b, and Supplementary Table 10). We  
274 found that differentially expressed genes (DEGs) associated with acute reactivity exhibited significant  
275 heterogeneity across astrocyte subpopulations (Fig.5d,e and Extended Data Fig.9c,d). Following TNF $\alpha$

276 treatment, we observed a significant expansion of cluster 2 astrocytes, which were identified by their  
277 expression of CD44, CD38, and GFAP (Fig.5c,f). These reactive astrocytes were characterized by genes  
278 that have been previously linked to proinflammatory pathways and astrocyte pathogenic activities in  
279 neurotoxicity, such as the activation of NF- $\kappa$ B and interferon pathways (Fig.5g and Extended Data Fig.9e).  
280 We also observed downregulation of genes involved in oxidative phosphorylation, NADH dehydrogenase  
281 complex assembly, and mitochondrial respiratory chain complex assembly in cluster 2 astrocytes following  
282 TNF $\alpha$  treatment (Fig.5g and Extended Data Fig.9f). Taken together, our findings indicate that there is  
283 significant reactive heterogeneity across different human astrocyte subpopulations *in vivo*.

284

### 285 **CD38 mediates inflammation-induced stresses in astrocytes**

286

287 To gain further insights into the cellular changes that occur during human astrocyte reactivity, we treated  
288 glia-enriched cortical organoids with TNF $\alpha$  for 24 hours and examined the inflammatory processes  
289 following the treatment (Fig.6a,b and Extended Data Fig.10a,b). Our results confirmed a rapid upregulation  
290 of pro-inflammatory cytokines, interferon signaling, and the NF- $\kappa$ B signaling pathway (Fig.6b and  
291 Extended Data Fig.10a,b). We also observed NF- $\kappa$ B nuclear translocation in astrocytes (Fig.6c). These  
292 results demonstrate that *in vitro* astrocytes can recapitulate the molecular changes *in vivo*.

293

294 Transcriptomics suggests dysregulation of metabolism and mitochondrial function in reactive astrocytes  
295 (Fig.5g and Extended Data Fig.9f). To investigate changes in NAD<sup>+</sup> metabolism and mitochondrial function  
296 in reactive astrocytes, we purified GFAP::tdTomato<sup>+</sup> astrocytes from *in vitro* organoids (Fig.6d and  
297 Extended Data Fig.10c). Our analysis revealed reduced NAD<sup>+</sup>/NADH ratio (Fig.6e) and glutathione  
298 (reduced to oxidized or GSH/GSSH) ratio (Fig.6f) in astrocytes following TNF $\alpha$  treatment, suggesting  
299 metabolic stress and oxidative stress in reactive astrocytes. CD38 is a major regulator of NAD<sup>+</sup> levels and  
300 a gradual increase in CD38 has been implicated in the decline of NAD<sup>+</sup> with age<sup>39</sup>. We observed significant  
301 upregulation of CD38 in reactive astrocytes (Extended Data Fig.10d). We next investigated whether CD38  
302 mediated the reductive metabolic stress and oxidative stress. After treating human astrocytes with TNF $\alpha$   
303 and a potent CD38 inhibitor 78c, we found significantly reduced metabolic and oxidative stress (Fig.6e,f).  
304 Cellular stress and metabolic cues can cause the mitochondrial network to fragment, which then promotes  
305 mitophagy and is associated with cell death<sup>40</sup>. Reactive astrocytes showed significant increases in  
306 mitochondrial fragmentation, which was markedly reduced by 78c (Fig.6g,h). These results suggest a  
307 mechanism by which a major NADase CD38 mediates metabolic and mitochondrial dysregulation in  
308 reactive astrocytes.

309

## 310 Discussion

311

312 While brain organoid models have been useful for studying human neurodevelopment and neurological  
313 disorders, studies of astrocyte function in such models have remained limited. This is partly due to the late  
314 onset of gliogenesis in humans, which is recapitulated in cortical organoid models <sup>7</sup>. Prolonged culture of  
315 neural progenitor cells in media containing gliogenic factors <sup>12,13</sup> or repeated passaging <sup>41,42</sup> confers  
316 gliogenic competency but eliminates neurogenic potentials. In this study, we demonstrate that induction of  
317 a gliogenic switch by addition of a gliogenic factor PDGF-AA and astrocyte-supporting medium for three  
318 weeks successfully enables accelerated astroglialogenesis in a substantial portion of cells while retaining  
319 neurogenic potential for the majority of cells. In this context, our organoid model not only efficiently  
320 generates astrocytes in a time window comparable to previously reported 2D astrocyte differentiation  
321 protocols<sup>10-13</sup> but also gives rise to other brain cell types, including cortical excitatory neurons, inhibitory  
322 neurons, and OPCs (Supplementary Fig.1). Additionally, transcriptomic analysis revealed that astrocytes  
323 generated in our model exhibit enhanced maturation compared to those derived from cortical organoids <sup>21</sup>  
324 when transplanted into rodent cortices. Therefore, our organoid model provides an opportunity to study  
325 human astrocyte function in neurodevelopment and neurological diseases.

326

327 Human astrocytic complexity correlates with the increased functional competence of the adult human brain  
328 <sup>29,31</sup>. In the human brain, astrocytes display a remarkable morphological diversity according to cortical  
329 layers and form anatomically defined subclasses <sup>29,31</sup>. While neonatal engraftment of human glial progenitor  
330 cells has allowed the progressive expansion of human glial cells in the host brain <sup>43-45</sup>, to the best of our  
331 knowledge, it is still limited in fully reproducing the morphological complexity observed in the human  
332 brain. Notably, our model is capable of producing hominid-specific varicose astrocytes, a feature that was  
333 not observed in previous models. Our study has also uncovered the diversification of layer-specific  
334 expression patterns in astrocytes by spatial transcriptome profiling. Pial interlaminar astrocytes within the  
335 transplants expressed many astrocyte markers, including GFAP, S100B, CD44, and AQP4, and showed  
336 increased expression of GFAP, AQP4, ID1, and ID3 compared to cortical astrocytes, resembling the  
337 expression profiles of subpial astrocytes observed in mice <sup>46,47</sup> and interlaminar astrocytes reported in  
338 humans <sup>48,49</sup>. In contrast, cortical protoplasmic astrocytes displayed an upregulation of genes involved in  
339 regulating cholesterol biosynthesis, synapse formation, and synaptic activity, while fibrous astrocytes  
340 expressed genes involved in initiation of myelination. These findings contribute to our understanding of the  
341 unique molecular processes governing the spatial organization of astrocytes within the cortical architecture.  
342 Of note, the NanoString GeoMx platform used in this study did not permit discrete identification of gene  
343 expression variations at single cell resolution. This lack of single cell resolution represents a notable

344 constraint in our analysis, where regions of interest, although enriched for SOX9, encompass various  
345 astrocytic types, thereby limiting our capacity to delineate transcriptional distinctions at a more refined  
346 morphological level.

347  
348 Our model also provides a platform to study astrocyte function during neuroinflammation and disease  
349 progression. The previous notion of astrocyte reactivity being a uniform response to tissue damage has been  
350 challenged by accumulating evidence suggesting that astrocytes are a diverse population of cells<sup>36,50</sup>. Our  
351 findings show that transcriptional changes associated with acute astrocyte reactivity *in vivo* are highly  
352 heterogeneous among human astrocyte subpopulations. We also demonstrate that metabolic and  
353 mitochondrial stresses induced by inflammation can be alleviated through inhibiting cyclase/hydrolase  
354 activity of CD38, a major NADase expressed in a subset of astrocytes and upregulated in response to TNF $\alpha$   
355 treatment. This model thus presents a platform to interrogate cellular function under physiological  
356 conditions that is otherwise difficult to investigate in other models and for drug discovery to treat human  
357 brain diseases.

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### 375 376 **Author Contributions Statement**

377

378 M.W., L.Z., and F.H.G. conceived the study and wrote the manuscript; M.W., L.Z., C.K.L. and S.F.  
379 performed cell culture and organoid differentiation; M.W., L.Z., C.K.L. and I.S.G. performed surgeries;  
380 S.L.P. assisted in surgeries; M.W. and I.S.G. performed single nucleus RNA-seq and single cell RNA-seq;  
381 M.W., C.Q., and E.M. performed NanoString GeoMx DSP; M.W., M.S., J.Y., and A.W. performed  
382 bioinformatics analyses; M.W. and L.Z. performed imaging analysis with assistance from L.L.X., C.K.L.,  
383 S.C. and M.D.S.; L.Z., S.W.N. and L.A. performed sample processing for scanning electron microscopy;  
384 S.W.N. and L.A. performed electron microscopic image analysis under the supervision of M.W., L.Z. and  
385 U.M.; F.H.G. provided funding.

386

387 **Competing interests Statement**

388

389 The authors declare no competing interests.

390

391 **Figure Legends**

392 **Figure 1. Enhanced astrogliogenesis in glia-enriched cortical organoids.**

393 **a.** Differentiation protocol schematic: astrocyte medium (AstroM); fetal bovine serum (FBS). **b.**  
394 Immunostaining for glial progenitors (NFIA, magenta) and stem cells (SOX2, green). Scale bars, 20  $\mu$ m. **c.**  
395 Quantification of NFIA<sup>+</sup> cells in forebrain (gray bars; Hues6 n=9; iPSC822 n=7) or glia-enriched cortical  
396 organoids (red bars; Hues6 n=7; iPSC822 n=6) from two batches of differentiation. Each dot represents one  
397 organoid. Mean  $\pm$  s.e.m. Two-sided t-test with Welch's correction. \*\*\*p < 0.001. **d.** Immunostaining for  
398 astrocytes (GFAP, magenta) and progenitor cells (SOX2, green). Scale bars, 20  $\mu$ m. **e.** GFAP<sup>+</sup> area  
399 quantified in forebrain (gray bars; Hues6 n=10; iPSC822 n= 9) and glia-enriched cortical organoids (red  
400 bars; Hues6 n=9; iPSC822 n= 8) from two batches of differentiation. Each dot represents one organoid.  
401 Mean  $\pm$  s.e.m. Two-sided t-test with Welch's correction. \*\*\*p < 0.001, \*\*p < 0.01. **f.** Immunostaining for  
402 astrocytes (HepaCAM, magenta; GFAP, green). Scale bars, 20  $\mu$ m. **g.** HepaCAM<sup>+</sup> area quantified in  
403 forebrain (gray bars; Hues6 n=5; iPSC822 n= 6) and glia-enriched cortical organoids (red bars; Hues6 n=6;  
404 iPSC822 n= 7) from two batches of differentiation. Each dot represents one organoid. Mean  $\pm$  s.e.m. Two-  
405 sided t-test with Welch's correction. \*\*p < 0.01. **h.** UMAP plot displaying snRNA-seq data (n= 15,287  
406 nuclei) from 10-week-old organoids from two lines after batch correction. APC (astrocyte progenitor cell),  
407 Ast (astrocyte), IPC (intermediate progenitor cell), In (inhibitory neuron), Cortical Ex (cortical excitatory  
408 neuron), and Ex (excitatory neuron). **i.** Dendrogram from WGCNA of astrocyte gene modules. **j.** UMAP  
409 plot of module hub gene expression score for astrocyte gene modules M12 and M14. **k.** Coexpression plots  
410 of the top 25 module genes for astrocyte gene modules M12 and M14. **l.** Confocal images of the  
411 GFAP::GFP AAV-transduced astrocytes and traces of processes. Top, three-month-old organoids. Bottom,  
412 five-month-old organoids. Scale bars, 20  $\mu$ m. **m.** Sholl analysis of astrocytes (three-month-old, 33  
413 astrocytes; five-month-old, 59 astrocytes). Mean  $\pm$  s.e.m. **n.** Bar plots illustrating the number of primary  
414 processes, number of branches, and total process length (three-month-old, 33 astrocytes; five-month-old,  
415 59 astrocytes). Mean  $\pm$  s.e.m. Two-sided t-test with Welch's correction. \*\*\*\*p < 0.0001.

416  
417 **Figure 2. Human astrocytes form anatomically defined morphological subclasses *in vivo*.**

418 **a.** Illustration depicting the experimental procedure. **b.** Immunostaining for H9-GFP-derived transplant  
419 (GFP, green) and nuclei (DAPI, blue). **c.** Immunostaining of six-month-old transplants: astrocytes (GFAP,  
420 green), human nuclear antigen (HuNu, magenta). Top inset, interlaminar astrocytes; Middle inset,  
421 protoplasmic astrocytes; Bottom inset, fibrous astrocytes. Scale bars, 100  $\mu$ m (left panel), 50  $\mu$ m (right  
422 panels). **d.** Immunostaining of GFAP::GFP AAV-transduced astrocytes: human nuclear antigen (HuNu,  
423 cyan), astrocytes (GFAP, magenta). Top, human astrocytes; Bottom, mouse astrocytes. Scale bars, 20  $\mu$ m.  
424 **e.** Maximal diameter comparison of GFAP::GFP AAV-transduced human and mouse cortical astrocytes.

425 Mouse, n = 30 from three mice; human, n = 46 from three transplants. Mean  $\pm$  s.e.m. Two-sided t-test with  
426 Welch's correction. \*\*\*\*p < 0.0001. **f.** Immunostaining for human [top; hGFAP<sup>+</sup> (magenta) and GFAP<sup>+</sup>  
427 (green)] and mouse astrocytes [bottom; hGFAP<sup>-</sup> (magenta) and GFAP<sup>+</sup> (green)] and blood vessels (Ly6C,  
428 cyan). Scale bars, 20  $\mu$ m. **g.** GFAP::tdTomato lentivirus-labeled human astrocytes in transplants (tdTomato,  
429 magenta). Arrowheads: varicosities in astrocyte processes. Scale bars, 20  $\mu$ m. **h.** Overview of the GeoMx  
430 Digital Spatial Profiler (DSP) workflow. **i.** Immunofluorescent staining image of one brain section with  
431 overlying selected Regions of Interest (ROIs). Scale bar, 750  $\mu$ m. 38 ROIs (pial = 10, cortex = 16, WM =  
432 12) from 4 sections were analyzed. **j.** Top: immunofluorescent staining: hGFAP (yellow), SOX9 (magenta),  
433 SYTO-13 (blue); bottom: cell segmentation of SOX9<sup>+</sup>/CYTO-13<sup>+</sup> cells within ROI. Scale bar, 100  $\mu$ m. **k.**  
434 PCA plot of GeoMx DSP gene expression data. Points: segmented SOX9<sup>+</sup>/CYTO-13<sup>+</sup> cells per ROI,  
435 colored by location. **l.** Volcano plots of differentially expressed genes (DEGs) between astrocyte groups.  
436 Dashed lines: adjusted p value < 0.05 (linear mixed effect model with Benjamini-Hochberg multiple  
437 correction) and fold change (FC) > 1.5. **m.** Box plots depicting the normalized expression levels of selected  
438 genes in each group (pial = 10, cortex = 16, WM = 12). Center line, median; box limits, upper and lower  
439 quartiles; whiskers, 1.5x interquartile range; points, outliers.

440

441 **Figure 3. Human astrocytes form perivascular endfeet *in vivo*.**

442 **a.** Confocal images comparing *in vitro* glia-enriched cortical organoids (top, six-month-old) and organoid  
443 transplants (bottom, six-month-old). Immunostaining for human astrocytes (hGFAP, green). Scale bars,  
444 100  $\mu$ m. **b.** Quantification of the number of hGFAP<sup>+</sup> cells per mm<sup>2</sup> in glia-enriched cortical organoids *in*  
445 *vitro* (left) and transplants *in vivo* (right). n = 6 organoids *in vitro* and n = 4 transplants (*in vivo*). Two-sided  
446 t-test with Welch's correction, \*\*\* P < 0.001. Bars, mean  $\pm$  s.e.m. **c.** Confocal images comparing glia-  
447 enriched cortical organoids *in vitro* (left panels, six-month-old) and transplants *in vivo* (right panels, six-  
448 month-old). Immunostaining for human astrocytes (hGFAP, green) and water channel Aquaporin 4 (AQP4,  
449 magenta). Scale bars, 20  $\mu$ m. **d.** Electron micrograph of the lumen of a blood vessel in an eight-month-old  
450 transplant captured using a scanning electron microscope. Top panel: endothelial cells (purple), basement  
451 membrane (blue), and intercellular leaflets (yellow). Bottom panel: enlarged view from the top panel. Scale  
452 bars, 4  $\mu$ m. **e.** Electron micrograph of a capillary in the transplant. Boxes show astrocyte processes. Top  
453 right, arrowheads indicate glycogen granules. Bottom right, an arrowhead indicates glia filaments (GFAP).  
454 M, mitochondria. Scale bars, 1  $\mu$ m. **f-g.** Electron micrograph of a capillary consists of endothelial cells  
455 (purple), tight junctions (yellow), pericytes (brown), and basement membrane (blue). The vessel was  
456 wrapped by astrocytic processes (green). Astrocyte soma (light green). 3D reconstruction of segmented  
457 data from serial section EM (**f**). Pseudocolored 2D image (**g**). Scale bars, 2  $\mu$ m.

458

459 **Figure 4. Advanced maturation of astrocytes in engrafted organoids revealed by snRNA-seq analyses.**  
460 **a.** Schematic representation of snRNA-seq and related analyses. **b.** UMAP plot of snRNA-seq data (n=  
461 65,743 nuclei) from five-month-old glia-enriched cortical organoids (5m\_Org, n= 17,490 nuclei), 5-month-  
462 old transplants (5m\_T, n= 15,936 nuclei), six-month-old transplants (6m\_T, n= 15,607 nuclei), and eight-  
463 month-old transplants (8m\_T, n= 16,710 nuclei) from two lines after batch correction. Ast, astrocyte; OPC,  
464 oligodendrocyte progenitor cell; In, inhibitory neuron; Immature, immature excitatory neuron; DL, deep  
465 layer cortical excitatory neuron; UL, upper layer cortical excitatory neuron. **c.** UMAP plots of snRNA-seq  
466 data separated by individual samples. **d.** Ridge plot of predicted nuclei ages separated by time point.  
467 Wilcoxon test (two-sided, \*\*\*\*,  $p < 0.0001$ ; reference group, 5m\_Org). **e.** Coexpression plot of top 25  
468 module hub genes. **f.** UMAP plot of module hub gene expression score for astrocyte modules M5. **g.** Violin  
469 plot of harmonized module score of astrocyte module M5 in astrocytes across different time points.  
470 Wilcoxon test (two-sided, \*\*\*\*,  $p < 0.0001$ ; reference group, 5m\_Org). Center line, median; box limits,  
471 upper and lower quartiles; whiskers, 1.5x interquartile range; points, outliers. **h.** Module expression score  
472 of mature astrocyte genes curated from Zhang et al., 2016 in astrocytes separated by each time point. Each  
473 dot represents median value per cell line. Wilcoxon test (two-sided, \*\*\*\*,  $p < 0.0001$ ; reference group,  
474 5m\_Org). **i.** Dot plot showing the expression of selected mature astrocyte genes reported in Zhang et al.,  
475 2016. **j.** UMAP dimensionality reduction of astrocytes from the integrated snRNA-seq. Each cell is colored  
476 by its pseudotime trajectory assignment. Pseudotime analysis separated by time point. One-sided  
477 Kolmogorov–Smirnov test (\*\*\*\*,  $p < 2.2e-16$ ; reference group, 5m\_Org). **k.** Projection of cortical organoid  
478 transplants snRNA-seq nuclei (Revah et al., 2022 right) onto the reference of nuclei (8m\_T, left). **l.** Heatmap  
479 of predicted cell type of cortical organoid transplants (Revah et al., 2022) on to the reference nuclei (8m\_T).  
480 **m.** Ridge plot of predicted ages of astrocyte nuclei from eight-month-old glia-enriched cortical organoid  
481 transplants (8m\_T) and cortical organoid transplants (Revah et al., 2022). Wilcoxon test (two-sided, \*\*\*\*,  
482  $P \text{ value} = 2.613246e-75$ ).

483  
484 **Figure 5. Transcriptome profiling reveals rapid activation of proinflammatory pathways in a**  
485 **subpopulation of astrocytes *in vivo*.**

486 **a.** Schematic representation of the experimental design. **b.** UMAP plot of scRNA-seq data from saline-  
487 treated transplants (n = 7404 cells) and TNF $\alpha$ -treated transplants (n = 5835 cells) after batch correction. **c.**  
488 UMAP plot displaying all Seurat clusters (left) and the number of cluster 2 astrocytes in each condition.  
489 UpSetR plots showing the upregulated DEGs (**d**) and downregulated DEGs (**e**) that are unique to or shared  
490 between astrocyte clusters 1-4. **f.** Violin plot illustrating the expression of selected genes in astrocyte  
491 clusters 1-4. **g.** GSEA comparing TNF $\alpha$ -treated and saline-treated cluster 2 astrocytes. Hallmark gene sets  
492 are shown. FDR, false discovery rate; NES, normalized enrichment score.

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**Figure 6. CD38 mediates inflammation-induced metabolic and mitochondrial stresses in human astrocytes.**

**a.** Schematic representation of the experimental design. **b.** Confocal images of *in vitro* six-month-old glia-enriched cortical organoids at different time points (day 0, day 1, and day 2) post TNF $\alpha$  treatment. Immunostaining for astrocytes (GFAP, green) and monocyte chemoattractant protein-1 (CCL2, magenta). Scale bars, 200  $\mu$ m. **c.** Quantification of the percentage of astrocytes with nuclear translocation of NF- $\kappa$ B (three organoids per group). Each dot represents one organoid. Bars, mean  $\pm$  SD. Two-sided t-test, \*\*p < 0.01, \*\*\*\*p < 0.0001. **d.** Schematic representation of astrocyte purification process from organoids. **e.** Dot plot showing the ratio of NAD<sup>+</sup> to NADH (n = 8 independent experiments per group). Each dot represents one independent experiment. Bars, mean  $\pm$  SD. Two-sided t-test, \*\*\*\*p < 0.0001. **f.** Dot plot showing the ratio of GSSH to GSSG (n = 6 independent experiments per group). Each dot represents one independent experiment. Bars, mean  $\pm$  SD. Two-sided t-test, \*\*\*\*p < 0.0001. **g.** Confocal images of astrocytes treated with saline, TNF $\alpha$ , and TNF $\alpha$  together with CD38 inhibitor 78c. Immunostaining for astrocytes (GFAP::tdTomato, magenta) and mitochondria (mitoGFP, green). Scale bars, 10  $\mu$ m. **h.** Percentage of astrocytes with fragmented mitochondria (CTRL = 150 cells examined over three independent experiments; TNF $\alpha$ 1d = 150 cells examined over three independent experiments; TNF $\alpha$ 2d = 150 cells examined over three independent experiments; TNF $\alpha$ 2d + CD38i = 200 cells examined over four independent experiments). Each dot represents one independent experiment. Bars, mean  $\pm$  SD. Two-sided t-test, \*\*p < 0.01, \*\*\*\*p < 0.0001.

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625

626

## 627 **Methods**

628

### 629 **Human pluripotent stem cells**

630 Human embryonic stem cells (hESCs) Hues6 (NIH approved ESC line, obtained from HSCI iPS Core)<sup>51</sup>,  
631 H9 (Wisconsin International Stem Cell (WISC) bank, WiCell research Institute, WA09 cells)<sup>52</sup> and human  
632 induced pluripotent cells (hiPSCs) 822 were used in the current study. H9 cells were transduced with pCSC-  
633 CAG-GFP lentiviruses and GFP-expressing cells were FACS-sorted as previously described<sup>16</sup>. Protocols  
634 were previously approved by the Salk Institutional Review Board and informed consent was obtained from  
635 the subjects.

636

### 637 **Mice**

638 All animal experiments described in the current study were approved by the Institutional Animal Care and  
639 Use Committee (IACUC) at the Salk Institute for Biological Studies (12-00022) and were conducted in  
640 compliance with the National Institute of Health's Guide for the Care and Use of Laboratory Animals.  
641 Immune-deficient mice NOD.Cg-*Prkdc<sup>scid</sup> Il2rg<sup>tm1Wjl</sup>/SzJ* (Jackson Laboratory, stock number 005557) were  
642 generated in our lab by breeding and kept on a 12h light/dark cycle in a housing group of two to five mice  
643 in each cage. Male and female mice 6-12 weeks of age were randomly used in this study.

644

### 645 **Human pluripotent stem cell culture**

646 Human pluripotent stem cells (PSCs) were cultured as previously described<sup>16,53</sup>. PSC colonies were  
647 maintained on Matrigel-coated six-well plates (Matrigel, Corning, 354277, hESC-Qualified) using mTeSR  
648 Plus (Stemcell Technologies, 85850) and were incubated in a 5% CO<sub>2</sub> humidified atmosphere at 37°C. PSC  
649 colonies were passaged at a ratio of 1:6 every three to six days using ReLeSR (Stemcell technologies, 5872).  
650 All human PSCs were maintained in feeder-free culture condition for 20-40 generations and confirmed  
651 negative for mycoplasma. Cells were confirmed normal with karyotyping. All experiments involving cells  
652 from human subjects were performed in compliance with the institutional Embryonic Stem Cell Research  
653 Oversight (ESCRO) committee.

654

### 655 **Generation of glia-enriched cortical organoids**

656 To generate embryoid bodies (EBs), intact PSC colonies were treated with 1 mg/ml Collagenase type IV  
657 (Invitrogen, 17104-019) for 20-45 minutes at 37 °C and mechanically detached with a cell scraper.  
658 Dissociated colonies were maintained in an ultra-low-attachment dish (Nunc) under stationary conditions  
659 for two days and were fed with mTeSR Plus supplemented with 10mM ROCK inhibitor Y-27632 (Tocris,  
660 1254). From day 1, cells were maintained in Astrocyte medium (AM) (ScienCell, 1800) supplemented with

661 Astrocyte Growth Supplement (AGS, Sciencell, 1800), 2% Fetal Bovine Serum, 500 ng/ml Noggin (R&D  
662 Systems, 6057-NG), 10 ng/mL PDGFAA (Proteintech, HZ-1215) and 1x 2-Mercaptoethanol (Gibco,  
663 21985032) until day 14. On day 15, organoids (10-12 organoids in each well of six-well ultra-low-  
664 attachment plates) were transferred on to an orbital shaker (75 r.p.m.) and maintained in AM supplemented  
665 with AGS, 10 ng/ml PDGFAA, and 1x 2-Mercaptoethanol for an additional week. From day 22, organoids  
666 were maintained on orbital shaker (75 r.p.m.) in medium consisting of DMEM/F-12 with Glutamax  
667 (Thermo Fisher Scientific, 10565018), 1 x N2 supplement (Thermo Fisher Scientific, 17502-048), 1x B27  
668 (without RA) (Thermo Fisher Scientific, 12587010), 1x MEM-NEAA (Thermo Fisher Scientific,  
669 11140050), 10% Fetal Bovine Serum (Omega Scientific Cat#FB-01; Lot#991851), and 1x 2-  
670 Mercaptoethanol. Organoids cultured beyond day 60 were additionally supplemented with 20 ng/ml BDNF  
671 (R&D Systems, 248-BDB), 20 ng/ml GDNF (R&D Systems, 212-GD), 0.2 mM Ascorbic Acid (Stemcell  
672 Technologies, 72132), 0.5 mM cAMP (Tocris, 1141). All media changes were done every other day. All  
673 organoids for transplantation experiments were pre-selected for development of organized neuroepithelium  
674 budding and absence of cyst formation. In addition, organoids from the same culture batch were examined  
675 by immunostaining for verification of neuronal and glial differentiation.

676

#### 677 **Intracerebral implantation of glia-enriched cortical organoids**

678 Organoid implantations were performed as previously described<sup>16</sup>. Glia-enriched organoids were cultured  
679 *in vitro* for 8 to 10 weeks prior to implantation. Mice were anesthetized with 3-5% isoflurane inhalation  
680 for induction and 1-2% isoflurane for maintenance. Each animal was fixed onto a stereotaxic frame for the  
681 duration of all surgical procedures with body temperatures maintained at 37 °C using a water-circulation  
682 heating pad (Gaymar Industries). Dexamethasone (2.5 mg/kg) was injected subcutaneously to minimize  
683 edema. Upon the removal of the skin above the scalp, a ~3mm diameter craniotomy was performed by  
684 drilling into the skull. The underlying dura mater was subsequently removed with forceps. A unilateral  
685 lesion was created in the region of the retrosplenial cortex through aspiration with a blunt-tip needle  
686 attached to a vacuum line. The brain tissue overlying the anterior colliculus was removed and the vascular  
687 bed of the choroidal fissure was exposed. Sterile saline and a piece of Gelfoam (Pfizer) were used to prevent  
688 excessive bleeding. The organoid transplant was placed on the pial vessels overlying the collicles caudal to  
689 the hippocampus. Upon transplantation, the organoid was sealed with a 5-mm glass coverslip using  
690 adhesive glue and the wound was secured with dental cement (Stoelting)<sup>54</sup>. Upon completion of the surgery,  
691 carprofen (5 mg/kg, i.p., 100 µl of 1 mg/ml) and Buprenorphine SR-Lab (1.0 mg/kg, subcutaneous) were  
692 administered to minimize inflammation and pain. The mice were then returned to their home cages for  
693 recovery on a heating pad.

694

695 **Stereotaxic injection**

696 Mice were anesthetized with 3-5% isoflurane via inhalation for induction and 1-2% isoflurane for  
697 maintenance. Each mouse was fixed onto a stereotaxic frame for the duration of all surgical procedures  
698 with body temperatures maintained at 37 °C using a water-circulation heating pad (Gaymar Industries). For  
699 direct TNF $\alpha$  injection into brain organoids, the preexisting dental cement and cranial window were removed  
700 first, followed by injection of 1 $\mu$ l of 250 ng of recombinant human TNF $\alpha$  (Sino Biological Inc, 10602-  
701 HNAE) or saline at a speed of 1 $\mu$ l per minute using a Hamilton syringe. The 1 $\mu$ l injection volume was split  
702 across two different Z locations. After the injection was completed, the needle was retracted at a rate of  
703 0.2–0.5 mm per minute. A new cranial window was placed using adhesive glue and secured with dental  
704 cement (Stoelting). Buprenorphine SR-Lab (1.0 mg/kg, subcutaneous) was administered to minimize  
705 postoperative pain. The mice were immediately placed on a warm heating pad until recovery.

706

707 **Virus transduction**

708 pBOB-GFAP-tdTomato lentiviral vector was obtained from the lab of Dr. Inder Verma at the Salk Institute.  
709 Lentiviruses were produced by the virus core in Salk Institute. To transduce organoids, 1  $\mu$ l of lentivirus  
710 (titer was  $10^{12}$  GC/ml) was added in each well of a six-well plate containing 3 ml medium and four to six  
711 organoids. Virus-containing medium was completely changed after two days.  
712 pAAV.GFAP.eGFP.WPRE.hGH AAV5 viral prep was a gift from James M. Wilson (Addgene viral prep  
713 # 105549-AAV5; RRID:Addgene\_105549 with a titer of  $10^{13}$  GC/ml. AAV particles were injected into  
714 the mouse brain to visualize human and mouse astrocytes. Briefly, a mouse with organoid implant was  
715 anesthetized with isoflurane (5% for induction and 2% for maintenance). The mouse was fixed on the  
716 stereotaxic instrument and the glass coverslip covering the implant was drilled through. One  $\mu$ l AAV5 virus  
717 was slowly injected into the organoid transplant for a duration of 5 min. The mice were allowed to recover  
718 on a heating pad and returned to their home cages.

719

720 **Histological processing**

721 *In vitro* cultured organoids were fixed in 4% paraformaldehyde (PFA) for 45-60 minutes followed by three  
722 washings with PBS. Organoids were then transferred to 30% sucrose solution at 4°C overnight. Four to six  
723 organoids were transferred into blocks in tissue-freezing medium, frozen on dry ice, and stored at -80°C.  
724 To obtain brain tissues containing organoid implants, the mice were first deeply anesthetized with  
725 Ketamine/xylazine (130 mg/kg, 15 mg/kg; i.p.) and then subjected to transcardial perfusion of 15ml ice  
726 saline followed by 15 ml 4% PFA. The brains were subsequently dissected out and transferred into 15-ml  
727 conical tubes containing 4% PFA for post-fixation overnight at 4°C. Brains were cryoprotected for 48-72

728 hr in 30% sucrose with 0.05% NaN<sub>3</sub> at 4°C. Each brain was trimmed coronally and embedded in tissue-  
729 freezing medium (GeneralData).

730 All blocks were left to equilibrate to the temperature of the cryostat ~30 min prior to sectioning. Thirty 40-  
731 µm cryosections of organoids were obtained using a cryostat (Leica), mounted on Superfrost plus slides  
732 (Thermo Scientific, Menzel-Glaser), dried at RT for 30 min and stored at -20°C. For each section set, one  
733 section was collected onto a slide to obtain a total of 20 slides and this collection method was repeated until  
734 tissue was exhausted.

735

### 736 **Immunohistochemistry and imaging acquisition**

737 Immunofluorescence staining was performed with thawed slides, with the tissue area and slide edges  
738 outlined using a hydrophobic PAP pen. The slides were washed three times with PBS and blocked and  
739 permeabilized in blocking solution (5% normal donkey serum, 0.1% Triton X-100 in PBS) in a humidified  
740 chamber for 1h at RT. Organoid slides were incubated with primary antibodies diluted in the blocking  
741 solution at 4°C overnight. Primary antibodies used were anti-NFIA (rabbit, ab41851, Abcam; 1:250), anti-  
742 SOX2 (rat, 14-9811-82, clone#Btjce, Invitrogen; 1:400), anti-GFAP (rabbit, Z0334, Dako; 1:500), anti-  
743 GFAP (chicken, AB5541, EMD Millipore; 1:1000), anti-GFP (chicken, GFP-1020, Aves lab; 1:1000), anti-  
744 hGFAP (mouse, Y40420, clone# not provided by vendor, TaKaRa; 1:500), anti-Human Nuclear Antigen  
745 (HuNu) (mouse, ab215755, clone#235-1, Abcam; 1:250), anti-NeuN (rabbit, ABN78, EMD Millipore;  
746 1:250), anti-Ly6C (rat, ab15627, Clone# ER-MP20, Abcam; 1:500), anti-Aquaporin 4 (AQP4) (rabbit,  
747 AQP-004, Alomone Labs; 1:400), anti-Kir4.1 (rabbit, APC-035, Alomone Labs; 1:250), anti-glucose  
748 transporter GLUT1 (rabbit, ab115730, Abcam; 1:100), anti-tdTomato (rabbit, 600-401-379, Rockland;  
749 1:500), anti-Laminin (rabbit, NB300-144SS, Novus a biotechne brand; 1:500), anti-hHepaCAM (mouse,  
750 MAB4108, clone#419305, R&D Systems; 1:400), anti-S100B (rabbit, ab52642, Abcam; 1:1000), anti-  
751 TBR2/Eomes (rabbit, ab275960, Abcam; 1:250), anti-CTIP2 (rat, ab18465, clone# 25B6, Abcam; 1:200),  
752 anti-SATB2 (rabbit, ab92446, Abcam; 1:100), anti-HOPX (mouse, sc-398703, clone# E-1, Santa Cruz;  
753 1:200), anti-NG2 (rabbit, AB5320, EMD Millipore; 1:200), anti-CD31 (goat, AF3628, R&D Systems;  
754 1:500), anti-IBA1 (rabbit, 019-19741, Wako; 1:400), anti-IBA1 (goat, ab48004, Abcam; 1:400), anti-SV2  
755 (mouse, SV2-c, clone# not provided by vendor, DSHB; 1:500), anti-PSD95 (rabbit, 51-6900, Invitrogen;  
756 1:250), anti-Myelin Basic protein (MBP) (rabbit, ab218011, Abcam; 1:400), anti-CD44 (rat, MAB6127,  
757 clone # IM7.8.1R, R&D Systems; 1:500), anti-EAAT2 (mouse, sc-365634, clone# E-1, Santa Cruz; 1:250),  
758 anti-hSPARC-like 1 (HEVIN) (goat, AF2728, R&D Systems; 1:50), anti-PDGFRa (rabbit, ab203491,  
759 Abcam; 1:200), anti-hCD38 (mouse, MAB2404, clone# 240742, R&D Systems; 1:200), anti-  
760 CXCL10/IP10 (rabbit, MA5-32674, Invitrogen; 1:200), anti-CCL2/MCP-1 (rabbit, NBP1-07035, Novus a  
761 biotechne brand; 1:100), and anti-Connexin 43 (rabbit, 3512S, Cell Signaling Technology; 1:200). After

762 three washes with PBS, slides were incubated with the appropriate fluorochrome-conjugated secondary  
763 antibodies diluted in blocking solution at RT for 1h in the dark. Alexa Fluor secondary antibodies (Jackson  
764 ImmunoResearch) diluted in blocking solution at 1:250 were used. Finally, all slides were counterstained  
765 with DAPI (1  $\mu\text{g}/\text{ml}$ , D9542; Sigma) for 5 min, rinsed three times in PBS before mounting with mounting  
766 solution (ProLong gold, Thermo Fisher Scientific) and left to dry for at least 48 hours at RT before imaging  
767 acquisition. Slides were stored at 4°C.

768

769 All images were acquired on a Zeiss LSM880 confocal microscope, Olympus VS-120 Virtual Slide  
770 Scanning Microscope (Olympus), or Revolve (ECHO), and processed with Zen software (Zeiss) and ImageJ  
771 software (NIH).

772

### 773 **NanoString GeoMx Digital Spatial Profiler**

774 Formalin-fixed paraffin-embedded (FFPE) tissue from a mouse brain with human organoid transplant was  
775 sectioned at 5 $\mu\text{m}$  and mounted onto positively charged slides with four sections per slide; subsequently it  
776 was profiled utilizing a NanoString GeoMx Digital Spatial Profiler (NanoString Technologies) as  
777 previously described<sup>32</sup>. The NanoString commercial Human Whole Transcriptome Atlas (GeoMx WTA)  
778 panel (>18,000 protein-coding genes) was selected. Tissue morphology was visualized using fluorescent-  
779 conjugated hGFAP Alexa-Fluor-594 (STEM123, TaKaRa, conjugated using Lightning-Link Rapid Alexa  
780 Fluor 594 Antibody Labeling Kit, 8 $\mu\text{g}/\text{ml}$ ), SOX9 Alexa Fluor-647 (clone EPR14335, ab196184, abcam,  
781 8 $\mu\text{g}/\text{ml}$ ), and SYTO-13 to detect nucleic acids. The slide was scanned on a NanoString GeoMx DSP  
782 platform and individual regions of interest (ROIs) with a maximum diameter of 660 $\mu\text{m}$  were created. Once  
783 each ROI was compartmentalized, cell segmentation was performed to identify SOX9<sup>+</sup>/CYTO-13<sup>+</sup> cells for  
784 subsequent ultraviolet-cleaved indexing oligonucleotides collection into a 96-well plate. Libraries were  
785 prepared according to the manufacturer's instructions (protocol MAN-10153-03). Samples were sequenced  
786 on the Illumina MiniSeq platform (MiniSeq High Output Kit PE 75 cycles) and reads were digitally  
787 quantified and normalized using GeoMx DSP Data Analysis Suite 3.0 (NanoString Technologies) following  
788 the manufacturer's instructions<sup>32</sup>. Target filtering was applied to retain gene targets with read counts above  
789 the limit of quantification [LOQ; defined as  $\text{geomean}(\text{NegProbe}) \times \text{geoSD}(\text{NegProbe})^2$  for each ROI] in  
790 at least 10% of ROIs. Q3 normalization was applied to the filtered ROIs and gene targets. The ROIs were  
791 categorized according to the spatial groups for subsequent analysis. Differential gene expression across  
792 groups was analyzed using a linear mixed effect model followed by the Benjamini-Hochberg multiple  
793 correction test. Differentially expressed genes (DEGs) were defined as fold-change > 1.5 or < -1.5, and  
794 adjusted  $p < 0.05$ . The parameters chosen for Gene Set Enrichment Analysis included a minimum coverage

795 of 20% of genes within the pathway and a pathway size between 15 and 500 genes, employing Reactome  
796 Version Build 78 + NCBI\_08122021.

797

### 798 **Cytokine Stimulation *in vitro***

799 Organoids or purified astrocytes were treated with 50 ng/mL recombinant human TNF $\alpha$  (Sino Biological  
800 Inc, 10602-HNAE) or PBS (vehicle) for 24 hours in maturation media. After washing with PBS, the samples  
801 were changed to fresh maturation media. To assess the effect of CD38 inhibition, samples were treated with  
802 0.5  $\mu$ M 78c (Tocris Bioscience, 6391) and 50 ng/mL TNF $\alpha$  for 24 hours in maturation media, followed by  
803 0.5 $\mu$ M 78c for an additional 24 hours.

804

### 805 **Mitochondrial Morphological Analysis**

806 Purified astrocytes were transduced with a lentiviral vector encoding MitoEGFP under the CAG promoter.  
807 Cells were fixed in 4% paraformaldehyde for 10 minutes and washed for three times with PBS and subjected  
808 to immunohistochemistry and imaging acquisition. The EGFP signal (MitoEGFP) was used to analyze the  
809 mitochondrial shape in Image J (NIH).

810

### 811 **Functional Assays**

812 Reduced (GSH) and oxidized (GSSG) glutathione contents were assessed in astrocytes using the  
813 GSH/GSSG-Glo assay kit (Promega, V6611). The results are expressed as GSH/GSSG ratio. The  
814 NAD<sup>+</sup>/NADH ratio was assessed in cultured astrocytes using the NAD-Glo assay kit (Promega, G9071).

815

### 816 **Glutamate Uptake Assay**

817 Astrocytes purified from three iPSC lines of five-month-old organoids and cultured neural progenitor cells  
818 (NPCs) were incubated in Hank's balanced salt solution (HBSS) buffer without calcium and magnesium  
819 (GIBCO) for 30 minutes, followed by incubation for 2 hours in HBSS containing calcium and magnesium  
820 (GIBCO) supplemented with 100  $\mu$ M glutamate. After 2 hours, the media were collected and analyzed  
821 using a bioluminescent assay kit (Promega, Glutamate-Glo<sup>TM</sup> Assay, J7021) according to the  
822 manufacturer's instructions. Six to eight technical replicates per line were utilized.

823

### 824 **Sholl analysis**

825 GFAP::GFP AAV transduced astrocytes from three-month-old and five-month-old glia-enriched cortical  
826 organoids were stained with an antibody against GFP and imaged using a Zeiss LSM880 confocal  
827 microscope at 63x magnification with z-stack images. Images were opened in ImageJ and a maximum

828 intensity projection was performed. Astrocyte tracing was done manually using Simple Neurite Tracer tool  
829 <sup>55</sup>. Sholl analysis was carried out through Simple Neurite Tracer with radial intervals of 1.26732  $\mu\text{m}$ .

830

### 831 **Quantitative polymerase chain reaction**

832 Total RNA was purified from organoids or astrocytes with a Direct-zol RNA Purification Kit (Zymo  
833 Research, R2061), according to the manufacturer's instructions. cDNA was synthesized using SuperScript  
834 III First-Strand Synthesis System (Invitrogen). Quantitative PCR was performed using SYBR Green PCR  
835 Master Mix (Applied Biosystems) on a BioRad CFX384 thermal cycler. The relative mRNA abundance of  
836 target genes was normalized to that of GAPDH mRNA obtained in the same sample. The primer sequences  
837 are shown in Supplementary Table 11.

838

### 839 **Electron microscopy**

840 A mouse with an implanted organoid was perfused and processed for electron microscopy as described  
841 elsewhere <sup>56</sup> with some modifications. The mouse was first anesthetized with ketamine/xylazine (130 mg/kg,  
842 15 mg/kg; i.p.) and perfused with a 25 mL of warm oxygenated Ringers solution, followed by 15 mL of  
843 warm buffered fixative (2.5% glutaraldehyde, 2% paraformaldehyde, 3 mM  $\text{CaCl}_2$ , 0.15 M sodium  
844 cacodylate) with DiI added to the solution to fluorescently label vasculature as previously described <sup>33</sup>. The  
845 brain was carefully extracted from the skull and stored overnight at 4°C in fresh fixative solution. The  
846 following day, the brain was thoroughly rinsed with buffer (3 mM  $\text{CaCl}_2$ , 0.15 M sodium cacodylate) and  
847 120- $\mu\text{m}$  thick sections containing the organoid were collected using a vibrating blade microtome (Leica  
848 VT1000 S) with a bath of ice-cold buffer. Brain sections were serially rinsed with ice-cold buffer, followed  
849 by a rinse with ice-cold buffer containing 50 mM glycine. Sections were immersed in a shallow dish filled  
850 with ice-cold buffer and photographed using a dissecting microscope equipped with a camera (Olympus).  
851 Low resolution confocal imaging was performed for GFP and DiI. A small rectangle was microdissected  
852 from the center of the organoid for serial section scanning electron microscopy (SSEM). Sections used for  
853 scanning electron microscopy (SEM) were left intact for processing. Samples were processed for high  
854 contrast with heavy metals as described elsewhere <sup>57</sup>. Briefly, sections were immersed in buffered reduced  
855 osmium (1.5% osmium tetroxide, 1.5% potassium ferrocyanide, 3 mM  $\text{CaCl}_2$ , 0.15 M sodium cacodylate)  
856 for 45 minutes in the dark at RT. Samples were then serially rinsed with ice-cold distilled water before 30  
857 minutes of treatment with filtered 1% aqueous thiocarbohydrazide that was prepared at 60°C for an hour  
858 before use. Samples were serially rinsed with ice-cold distilled water before amplifying staining with 1.5%  
859 aqueous osmium tetroxide for 45 minutes in the dark at RT. Sections to be imaged by SEM were set aside  
860 at this point for serial dehydration and critical point drying (Leica CPD300). The remaining microdissected  
861 samples were serially rinsed with ice-cold water before staining overnight with 1% uranyl acetate at 4°C.

862 The next day, samples were thoroughly rinsed with RT distilled water and stained with Walton's lead  
863 aspartate for 30 min at 60°C. Samples were rinsed again with RT distilled water and serially dehydrated in  
864 ice-cold ethanol. Samples were then rinsed three times in anhydrous ethanol prior to serial infiltration with  
865 Eponate 12 resin (hard formulation) over the course of two days and finally embedded in capsules (TAAB)  
866 for polymerization in a small oven for three days at 60°C.

867  
868 A ribbon of approximately 100 serial ultrathin sections was collected, and each section of approximate  
869 dimensions of 150 µm-400 µm-70 nm (x-y-z) was collected onto a silicon chip using Diatome diamond  
870 knives mounted on a Leica UC7 ultramicrotome as described elsewhere<sup>58</sup>. The chip was mounted on an  
871 aluminum stub using carbon sticky tape and loaded into a Zeiss Sigma VP scanning EM equipped with a  
872 Gatan backscattered electron detector and both SmartSEM (Zeiss) and Atlas5 (Fibics) control software. A  
873 region of interest (ROI) near the center of the organoid implant was identified and images were acquired  
874 with an accelerating voltage of 1.5 kV, a 20-µm aperture, at a working distance of 9 mm. A multi-resolution  
875 map of a central section was acquired, identifying candidate blood vessels for further 3D analysis.  
876 Contiguous high-resolution images (8-8-70 nm/voxels x-y-z) of a representative ROI containing a blood  
877 vessel were assembled into a series of 8-bit tiff files. Serial images were aligned using AlignEM-SWiFT to  
878 form a continuous 3D representation of the tissue volume.

879  
880 Endothelial cell processes, a pericyte, and astrocyte processes contacting the blood vessel as well as tight  
881 junctions and basement membrane were identified by their ultrastructural characteristics and annotated  
882 using VAST Lite software. Cells and nuclei were exported using the VAST Lite Matlab toolkit as .obj files,  
883 which were imported into Blender software equipped with GAMer and Neuromorph add-ons. Object  
884 meshes were processed with GAMer to optimize geometry for visualization, before superimposition with  
885 3DEM data using Neuromorph. In this fashion, data were interrogated and rendered scenes and animations  
886 were produced using Blender. For video figures, rendered scenes were assembled into .avi files using  
887 ImageJ, post-processed using After Effects (Adobe), and compressed using Handbrake  
888 (<https://handbrake.fr/>).

889  
890 **Dissociation of brain organoids and single nucleus RNA-seq**

891 Nuclei extraction from fresh dissected *in vivo* brain organoids was performed according to a demonstrated  
892 protocol CG000124 (Rev E, nuclei isolation from cell suspensions and tissues for single cell RNA  
893 sequencing) from 10x Genomics with minor modification. Briefly, freshly dissected *in vivo* brain organoids  
894 were pooled and lysed using a Dounce homogenizer in 1 ml of freshly prepared cold lysis buffer (TrisHCl  
895 pH 7.4 10 mM, NaCl 10 mM, MgCl<sub>2</sub> 3 mM, NP-40 0.1% in nucleus free water). Nuclei were centrifuged

896 at 500 g for 8 min and supernatant was discarded. Nuclei were then resuspended in freshly prepared cold  
897 nuclei wash & resuspension buffer (PBS, 1%BSA, Rnase inhibitor 0.2 U/ $\mu$ l) and filtered through a 35- $\mu$ m  
898 strainer (Corning). Nuclei were centrifuged at 500 g for 5 minutes and resuspended again in nuclei wash  
899 and resuspension buffer for a total of two washes. After the second wash, nuclei were resuspended in ice-  
900 cold nuclei wash and resuspension buffer at a concentration of 800-1,200 cells/ $\mu$ l, and approximately  
901 17,400 cells per channel (to give estimated recovery of 10,000 cells per channel) were loaded onto a  
902 Chromium Next GEM Chip G (10x Genomics) and processed through the Chromium controller to generate  
903 single-cell gel beads in emulsion (GEMs). snRNA-seq libraries were prepared with the Chromium  
904 NextGEM Single Cell 3' GEM Library & Gel Bead Kit v.3.1 (10x Genomics) as per manufacturer' s  
905 instruction. Libraries from different samples were pooled and 20,000 reads per nucleus were sequenced on  
906 a NovaSeq6000 (Illumina) or a NextSeq (Illumina) with 28 bases for read 1, 91 bases for read 2 and 8 bases  
907 for index 1.

908

#### 909 **Dissociation of organoid transplants and single cell RNA-seq**

910 Single cell dissociation from fresh dissected *in vivo* brain organoids was performed using Neural Tissue  
911 Dissociation Kit (Miltenyi Biotec, 130-092-628) as per manufacturer's instruction. Red blood cells were  
912 lysed with Red Blood Cell Lysis Solution (Miltenyi Biotec, 130-094-183) for 3 min and washed with 0.1%  
913 BSA in 1 $\times$  PBS and prepared for downstream applications. Cells were stained with PE anti GLAST  
914 antibody (Miltenyi Biotec, 130-118-483, 1:50) for 30–40 min in the dark on ice and washed with PBS and  
915 resuspended in 0.1% BSA in 1 $\times$  PBS. Cells were incubated with DAPI prior to sorting. After sorting, cells  
916 were resuspended in ice-cold PBS at a concentration of 500-1,200 cells/ $\mu$ l and subjected to Single Cell  
917 Sequencing (10x Genomics) as described above.

918

#### 919 **Single-nucleus and Single-cell RNA-seq data analysis**

920 The Cell Ranger 6.0.1 pipeline (10x Genomics) was used to align reads from RNA-seq to the 10x hg19  
921 human reference genome v1.2.0 and 10x mm10 mouse reference genome v1.2.0 and produce the associated  
922 cell-by-gene count matrix for the organoid transplants. The Cell Ranger 6.0.1 pipeline (10x Genomics) was  
923 used to align reads from RNA-seq to the 10x hg19 human reference genome v1.2.0 and produce the  
924 associated cell-by-gene count matrix for the *in vitro* organoids. Default parameters were used, except for -  
925 include-introns argument for nuclei samples. Unique molecular identifier (UMI) counts were analyzed  
926 using the Seurat R package v.4.0.1<sup>59</sup>. Human cells or nuclei (defined as nuclei with >95% genes mapped to  
927 hg19) were kept for subsequent analysis. Nuclei with <1% of mitochondrial contamination and between  
928 500 and 6,000 expressed genes were retained for further analysis. Cells with <20% of mitochondrial  
929 contamination and between 500 and 6,000 expressed genes were retained for further analysis. To prepare

930 for integration, SCTransform was performed, and the top 3000 features were used to find integration  
931 anchors. Integration was performed using the SCT normalized method. Principal component analysis (PCA)  
932 was performed on the scaled data for the variable genes and the top 30 principal components were  
933 implemented for the unsupervised clustering. Cells were clustered in PCA space using the FindNeighbors  
934 function (top 30 principal components) and FindClusters function. Variation in the cells was visualized by  
935 UMAP.

936

937 Differentially expressed genes (DEGs) were defined as genes significantly expressed (P adjusted for  
938 multiple comparisons  $< 0.05$ ) in  $\geq 25\%$  of cell populations with  $> 0.25$ -fold difference (log scale) between  
939 groups of nuclei. DEGs between clusters of astrocytes before and post TNF $\alpha$  treatment were identified as  
940 genes significantly expressed (P adjusted for multiple comparisons  $< 0.05$ ) with  $> 0.25$ -fold difference (log  
941 scale). Visualization of intersecting genes was plotted using UpSetR (v1.4.0)<sup>60</sup>. Gene Ontology (GO) terms  
942 of DEGs were represented using a maximum of 100 genes (Wilcoxon test,  $p < 0.05$ ,  $\log_{2}FC > 0.25$ ) using the  
943 Enrichr<sup>61</sup> database “GO\_Biological\_Process\_2021”.

944

#### 945 **Cluster correlation**

946 For both eight-month-old organoid transplant and integrated snRNA-seq datasets, marker genes in each  
947 cluster were identified using FindAllMarkers() in Seurat, requiring to be detected in at least 25% of cells  
948 with log fold-change larger than 0.25. The top 50 marker genes from each cluster were selected by fold-  
949 change expression for the correlation analysis. The expression of top markers was averaged across cells  
950 within each cluster of our dataset and each annotated cell type in reference human brain dataset across six  
951 cortical areas from Allen Brain Atlas<sup>48</sup>. Pearson correlation coefficient between our dataset the reference  
952 was calculated across clusters and presented in heatmap.

953

#### 954 **Module expression analysis**

955 To calculate differential expression of modules, the AddModuleScore function from Seurat was applied  
956 using the top 50 expressed genes from the upregulated mature astrocyte gene list curated from Zhang et al.  
957 2016. Two-sided wilcoxon test was applied comparing the module scores in astrocytes from different time  
958 point, using the stats R package.

959

#### 960 **Weight gene coexpression network analysis**

961 To learn patterns of coordinated gene regulation across the cells, we applied scWGCNA v0.0.0.9000<sup>26</sup> to  
962 several dataset. We selected genes expressed in at least 5% of cells for downstream analysis. To construct  
963 metacell gene expression matrix, the K-Nearest Neighbors algorithm was used to identify groups of similar

964 cells, and then the average expression of these cells was computed using the MetacellsByGroups function.  
965 For 10-week-old organoids and eight-month-old transplants, during metacell computation, we pooled 50  
966 cells within the same cell type per cell line to retain the metadata for scWGCNA. For the integrated datasets,  
967 we pooled 25 cells within the same cell type for each time point. We then set up the expression matrix for  
968 the cell type of interest. To pick an adequate power for each dataset, we used the TestSoftPowers function  
969 to test values from 1 to 30. We next constructed a co-expression network with the selected soft power. To  
970 compute the harmonized module eigengenes, ScaleData function was performed to regress variable features  
971 including “nFeature\_RNA” and “percent.mt”, and module eigengenes were calculated using the  
972 ModuleEigengenes function. Default parameter was used to compute module connectivity. To compute hub  
973 gene signature score, the top 25 hub genes by eigengene-based connectivity were used. GO terms of each  
974 module were analyzed using the top 100 hub genes using the Enrichr <sup>61</sup> database  
975 “GO\_Biological\_Process\_2021”.

976

### 977 **Pseudotime analysis**

978 To prepare cells for pseudotime analysis, the unknown cluster was first removed, and the samples were re-  
979 integrated using the SCT method in Seurat. PCA was then calculated, and the top 30 principal components  
980 was used for UMAP visualization. Pseudotime analysis was performed using the Monocle3 v.1.0.0 software  
981 package <sup>35</sup> with the default parameters. The cells were subset to contain an equal amount from different  
982 time points. A starting point for the trajectory was chosen manually by finding an endpoint for the earliest  
983 developmental cell type. To test cell distribution along the trajectory, a one-sided Kolmogorov–Smirnov  
984 test was applied comparing the distribution of pseudotime values of cells from different time point, using  
985 the stats R package.

986

### 987 **Cell type and age prediction**

988 Cell type prediction was carried out with Seurat package (v4.2.0), with the published integrated dataset as  
989 reference<sup>59</sup>. The reference dataset was projected onto our query data based on the anchors identified by the  
990 FindTransferAnchors function, and the label of the cell type was predicted using the TransferData function.  
991 Cells that were not assigned with any reference labels were defined as “Undetermined”. The original  
992 annotation and prediction labels were presented in original UMAP space. The concordance between the  
993 original annotation and prediction was measured by calculating the assignment percentage of every type of  
994 annotated cells to the reference labels, which were then displayed in a heatmap.

995

996 For age prediction, our data were integrated with the reference age dataset <sup>34</sup> using CCA merge method in  
997 Seurat <sup>59</sup>. Within the integrated UMAP space, a KNN regression was carried out using the knn.reg function

998 from FNN R package (v1.1.3) with 10 nearest neighbors. Cell ages were estimated from the arcsinh  
999 transformation of the reference ages, taking the mean of its neighbors. The age distribution among different  
1000 groups was compared using the Wilcoxon rank-sum test.

1001  
1002 **Enrichment analyses**  
1003 Gene set enrichment analyses of Hallmark gene sets and GO terms were performed with WebGestaltR  
1004 package (v0.4.4) with an FDR <0.05 as the significance threshold, protein coding genes as the reference  
1005 list, a minimum number of genes in a category of 5, permutation time of 1000<sup>62</sup>. To prepare the input  
1006 ranked gene list for GSEA, differential expression analyses was performed between two conditions using  
1007 the FindMarkers function from Seurat. Genes were scored and ordered by the resulting P values and fold  
1008 changes.

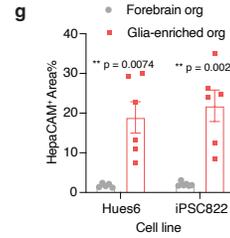
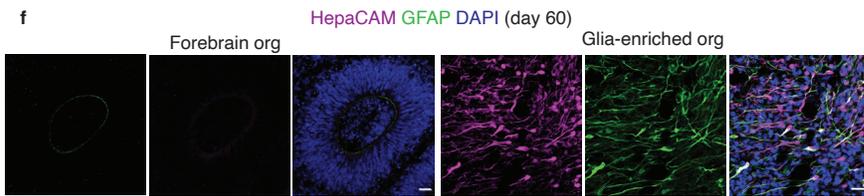
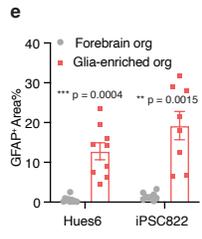
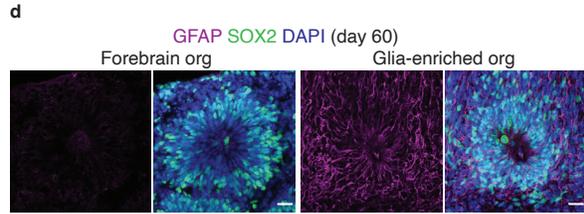
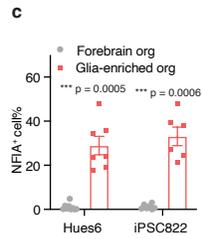
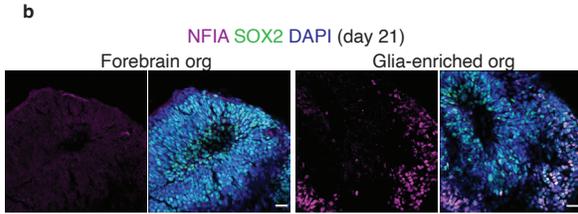
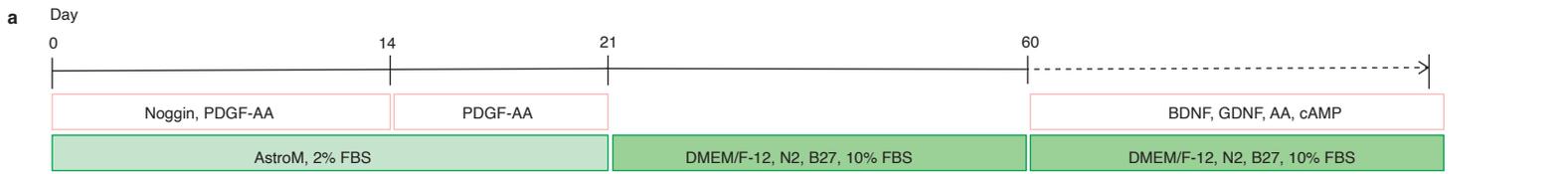
1009  
1010 **Data availability**  
1011 Single nucleus RNA-seq data is available in GEO under the accession number GSE185472. The following  
1012 public datasets were used for snRNA-seq analysis: Allen Brain Institute human adult snRNA-seq data from  
1013 multiple cortical areas ([https://portal.brain-map.org/atlas-and-data/rnaseq/human-multiple-cortical-](https://portal.brain-map.org/atlas-and-data/rnaseq/human-multiple-cortical-areas-smart-seq)  
1014 [areas-smart-seq](https://portal.brain-map.org/atlas-and-data/rnaseq/human-multiple-cortical-areas-smart-seq); accessed October 2022), snRNA-seq data from broad temporal coverage from fetal to  
1015 adulthood stages of the Brodmann area 8, 9, 10, and 46 prefrontal cortex regions (Gene Expression Omnibus  
1016 accession number GSE168408), and snRNA-seq from eight-month-old cortical organoid transplants (Gene  
1017 Expression Omnibus accession number GSE190815). For single-nucleus analysis, we used hg19 human  
1018 reference genome v1.2.0 and mm10 mouse reference genome v1.2.0 provided by 10X. The sequences and  
1019 gene files used to build the references can be achieved at [ftp://ftp.ensembl.org/pub/grch37/release-](ftp://ftp.ensembl.org/pub/grch37/release-84/fasta/homo_sapiens/dna/)  
1020 [84/fasta/homo\\_sapiens/dna/](ftp://ftp.ensembl.org/pub/grch37/release-84/fasta/homo_sapiens/dna/) and [ftp://ftp.ensembl.org/pub/grch37/release-84/gtf/homo\\_sapiens/](ftp://ftp.ensembl.org/pub/grch37/release-84/gtf/homo_sapiens/) (for  
1021 human hg19 genome); [ftp://ftp.ensembl.org/pub/release-84/fasta/mus\\_musculus/dna/](ftp://ftp.ensembl.org/pub/release-84/fasta/mus_musculus/dna/) and  
1022 [ftp://ftp.ensembl.org/pub/release-84/gtf/mus\\_musculus/](ftp://ftp.ensembl.org/pub/release-84/gtf/mus_musculus/) (for mouse mm10 genome). All other raw data  
1023 used for plotting in the figures are provided as Source Data.

1024  
1025 **Statistics and Reproducibility**  
1026 Statistical analyses were conducted using GraphPad Prism 9 and R (v4.1.2). The specific methods employed  
1027 to determine significance are detailed in the figure legends. Exact statistical values are presented in the  
1028 figures and the Source Data. The data presented from representative experiments were independently  
1029 replicated at least three times with similar outcomes, unless explicitly indicated by the sample size noted in  
1030 each figure or Method section. This includes all microscopy data and quantitative PCR data.

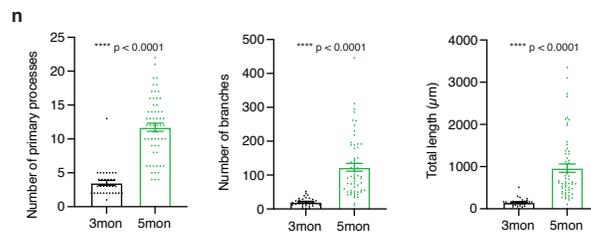
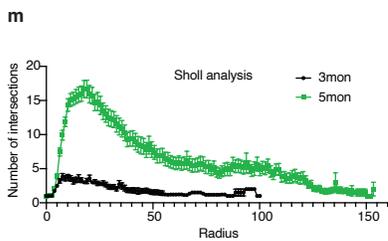
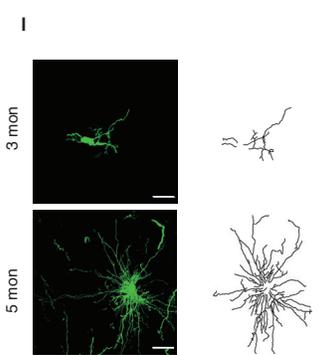
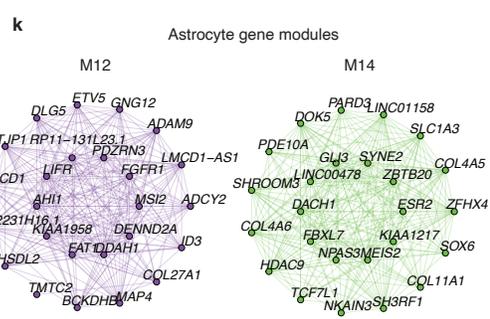
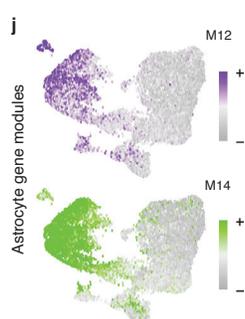
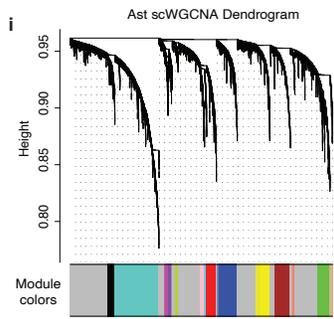
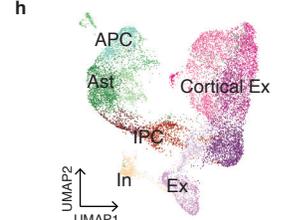
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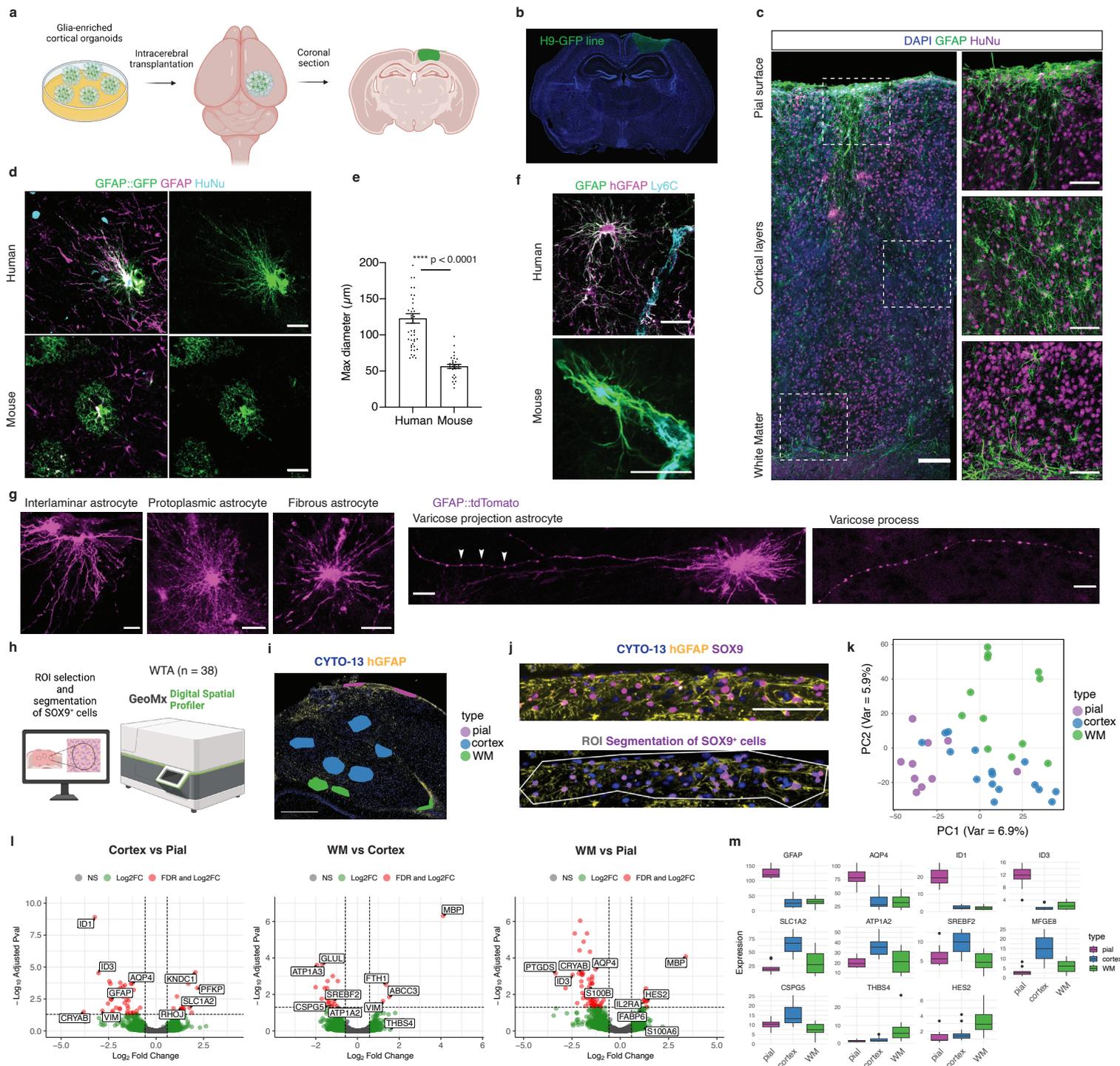
1032 **Methods-only References**

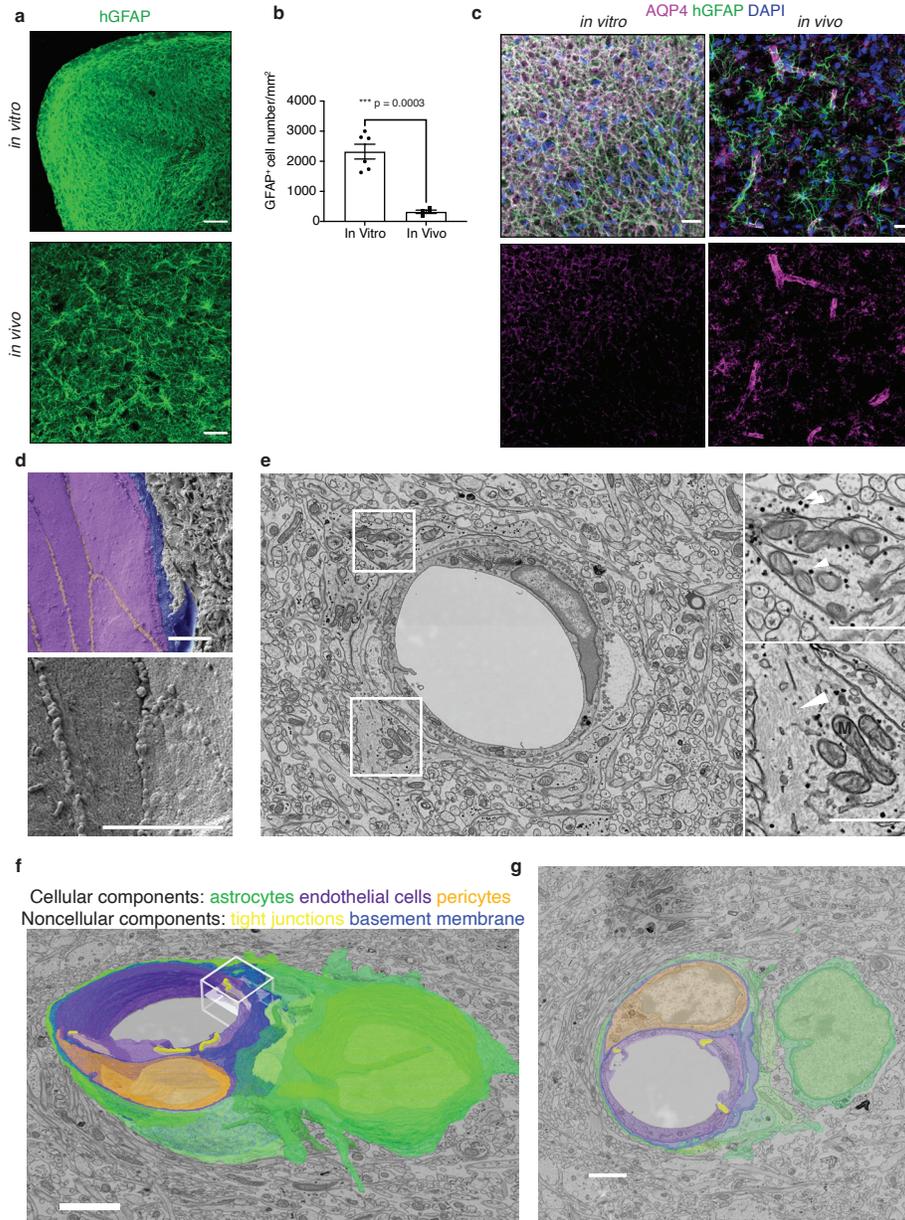
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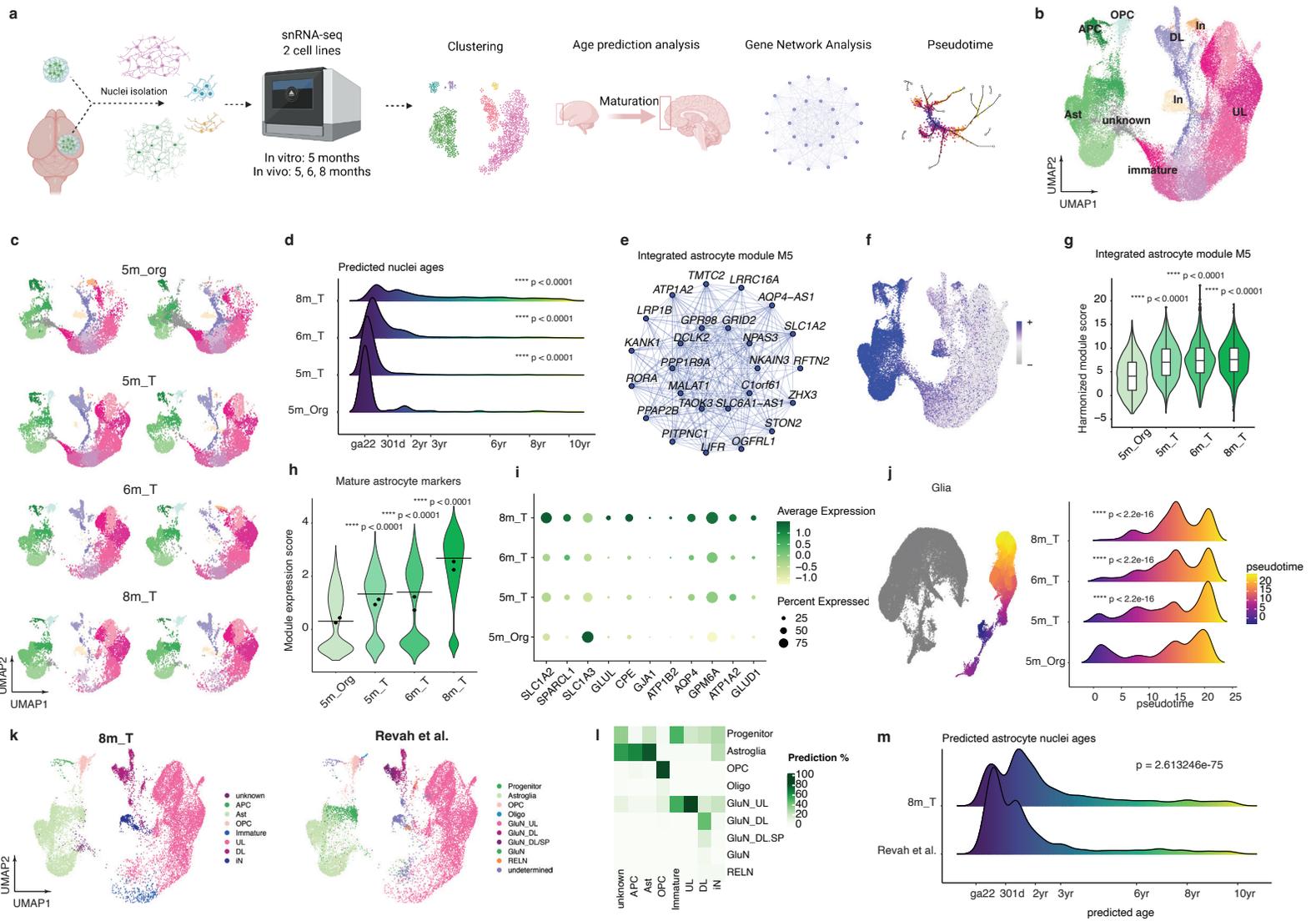


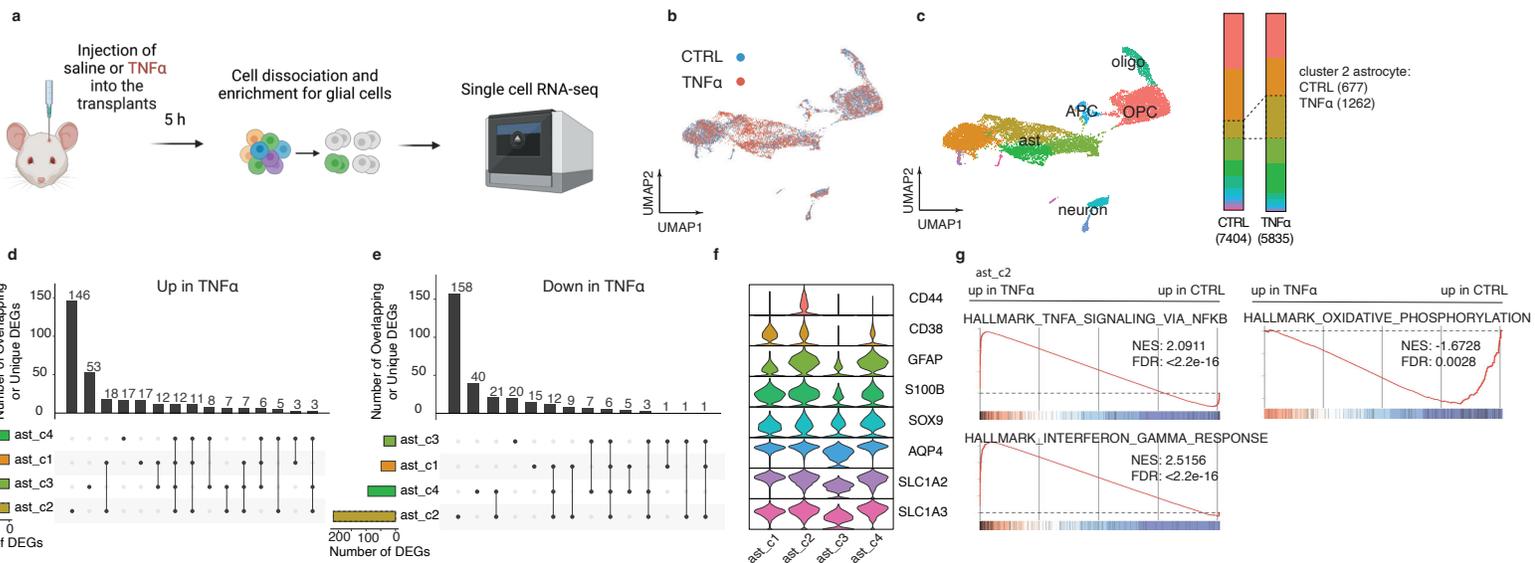
10-week-old gliA-enriched cortical organoids

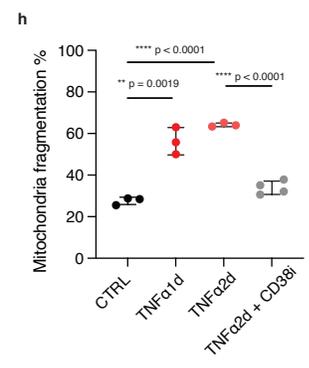
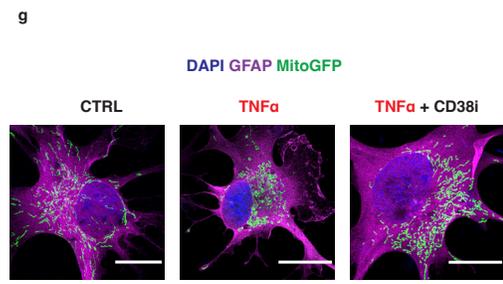
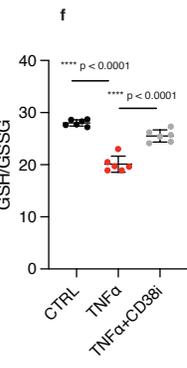
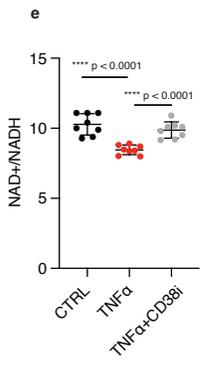
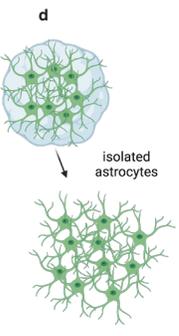
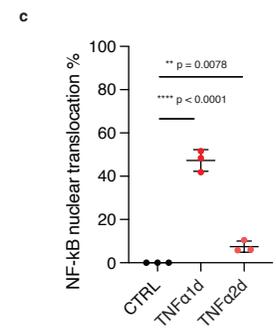
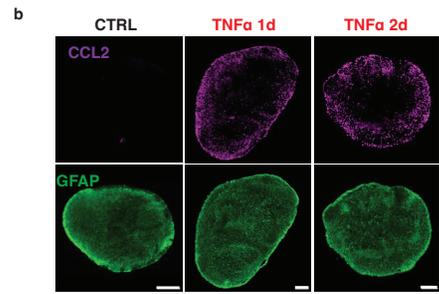
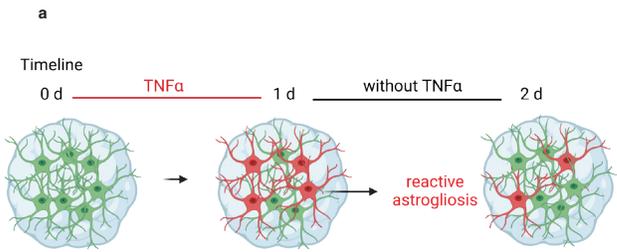


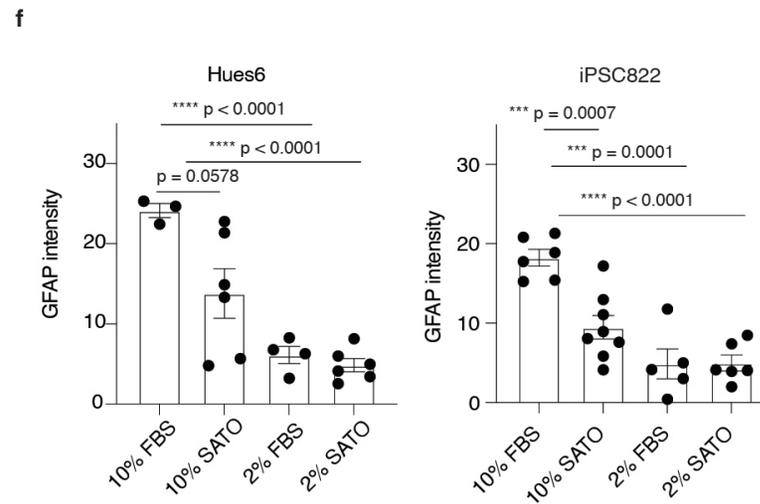
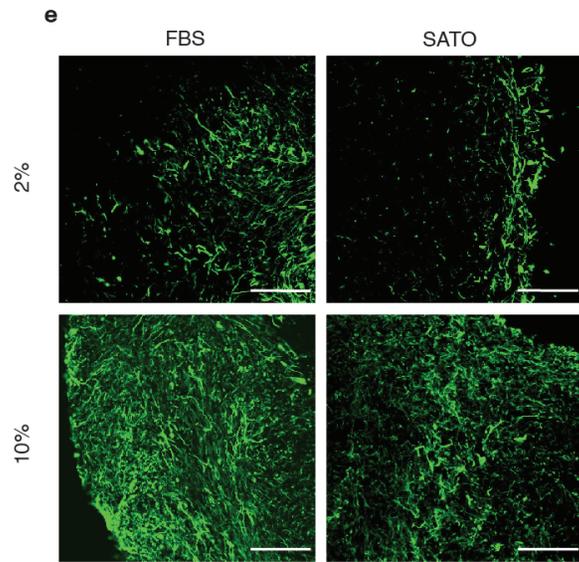
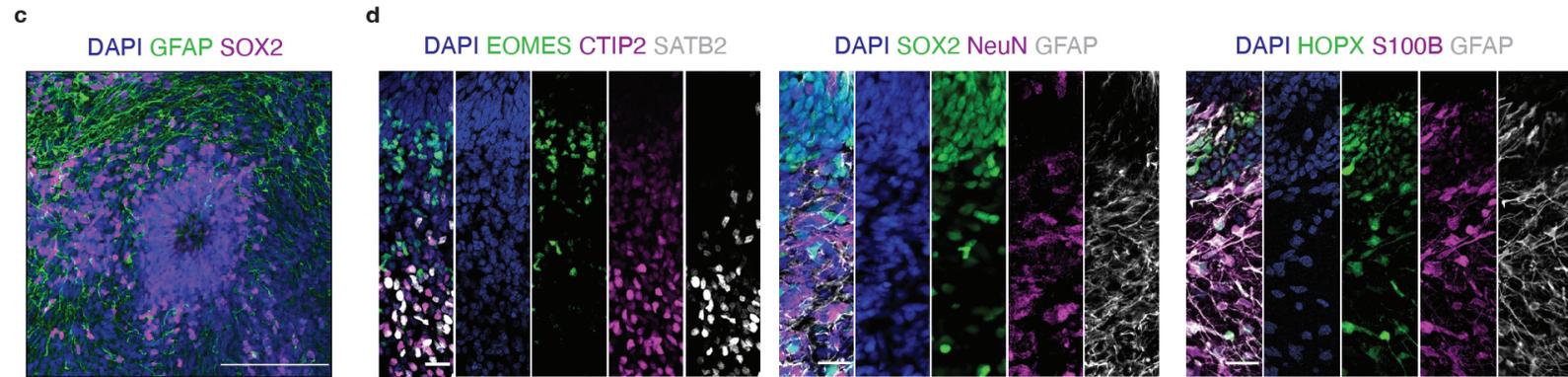
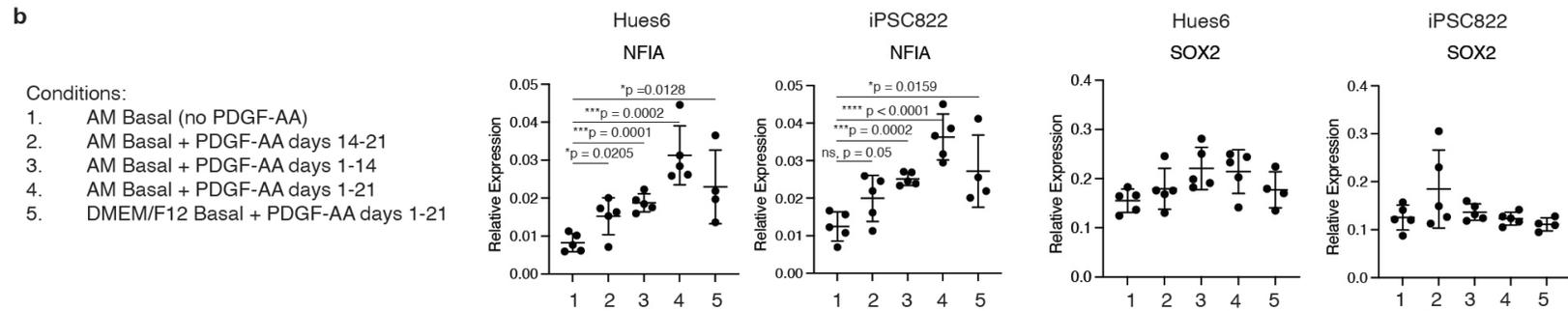
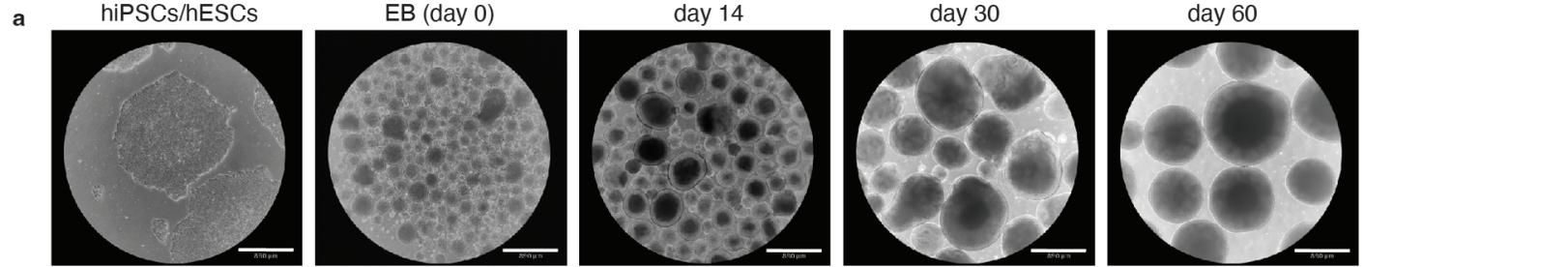


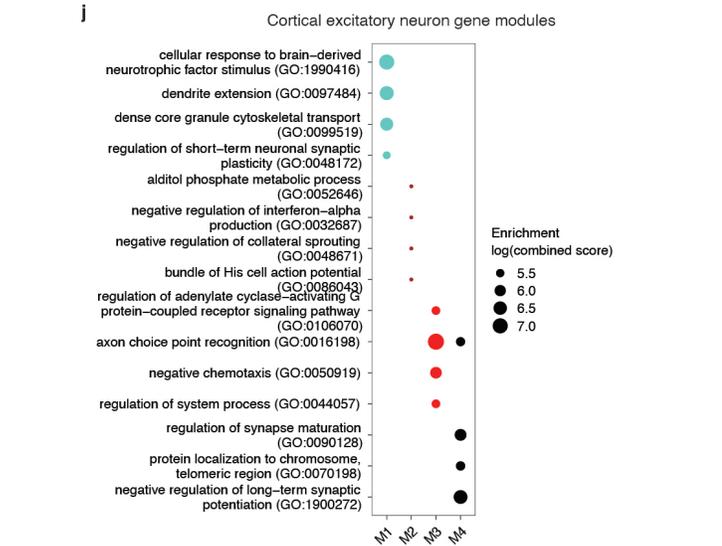
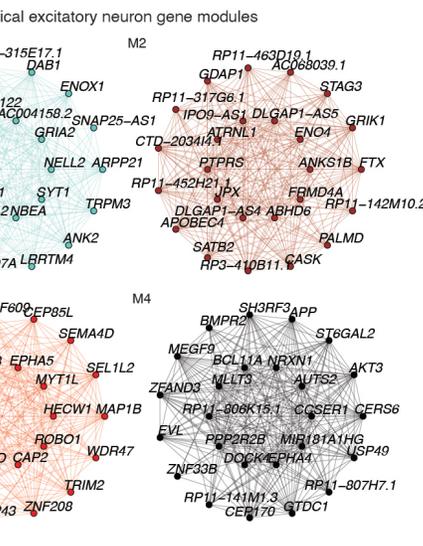
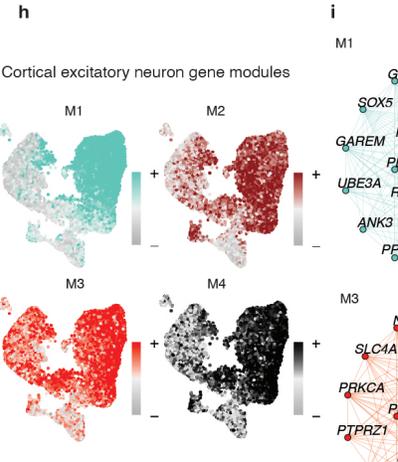
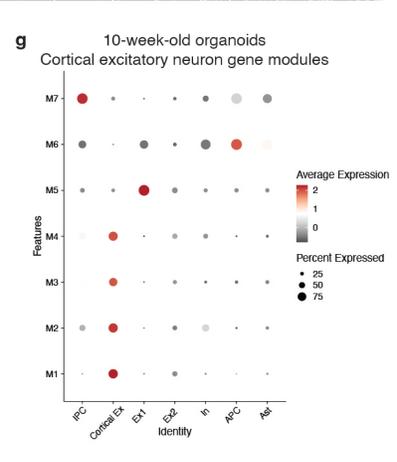
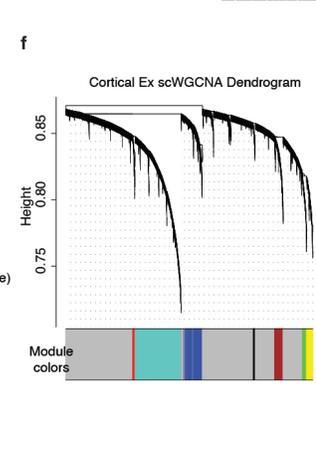
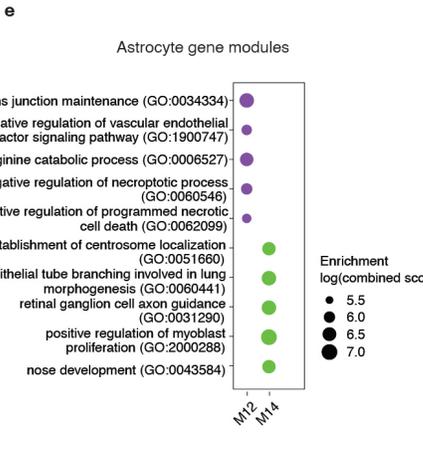
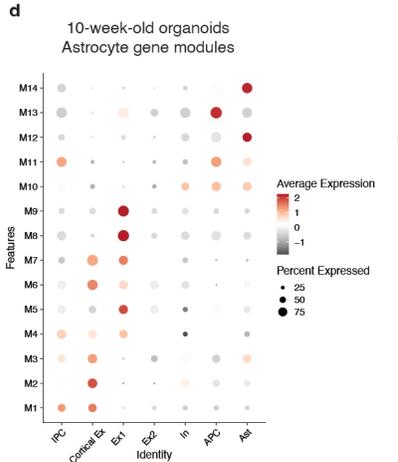
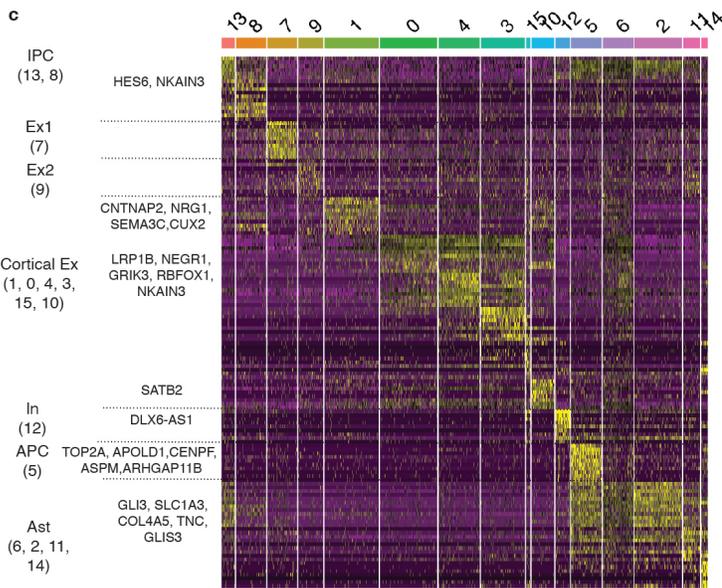
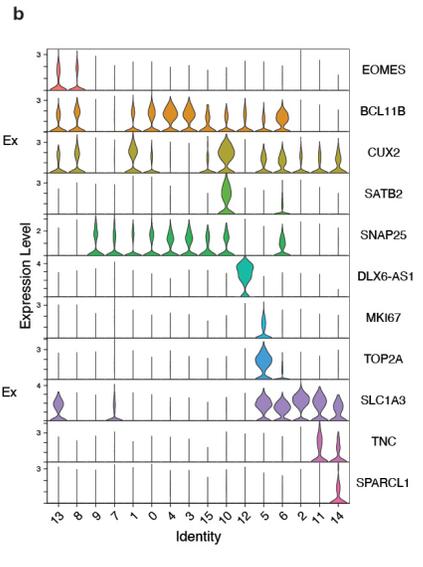
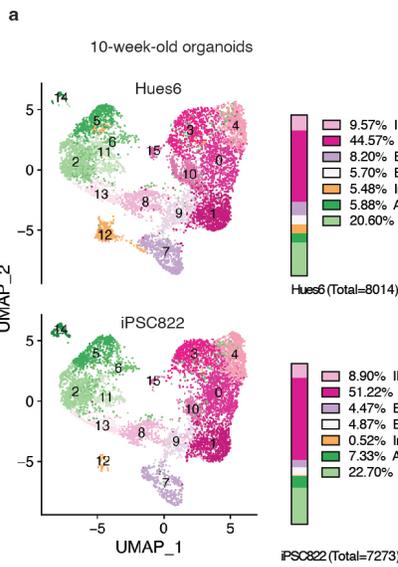


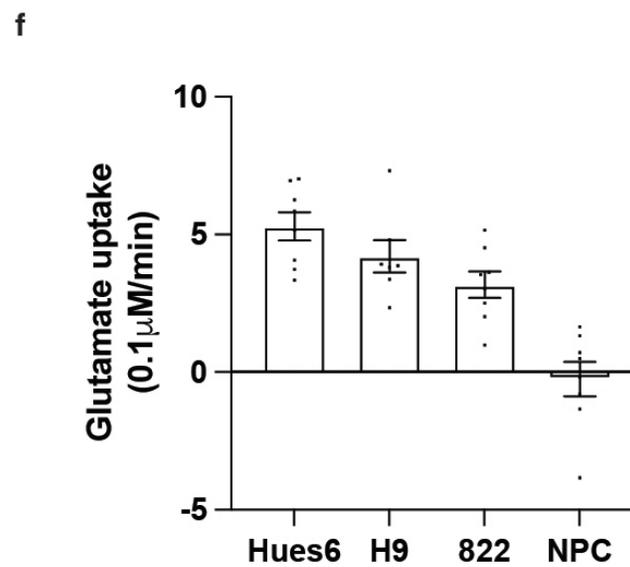
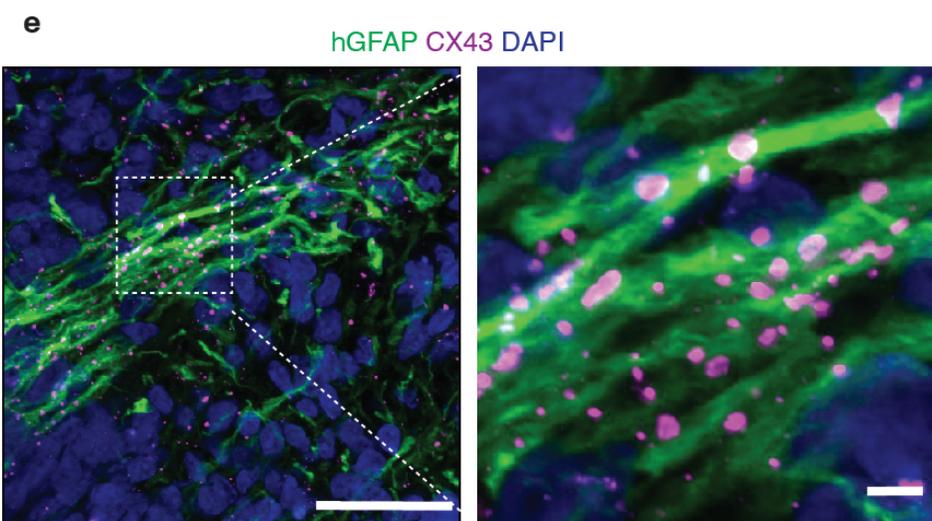
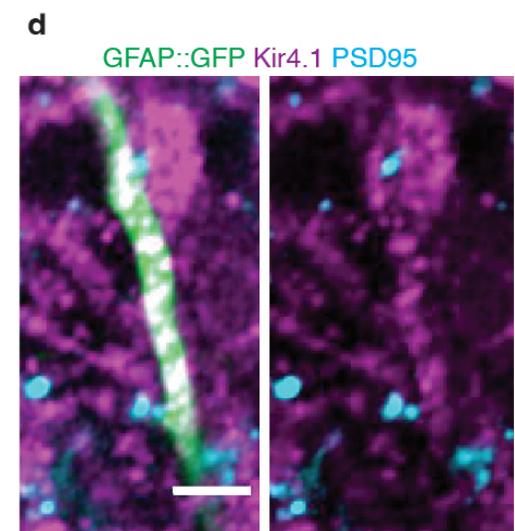
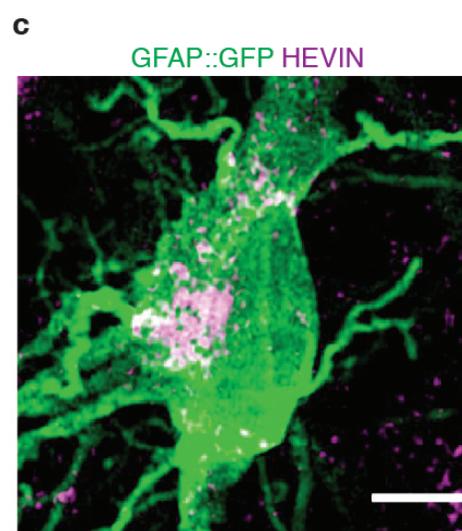
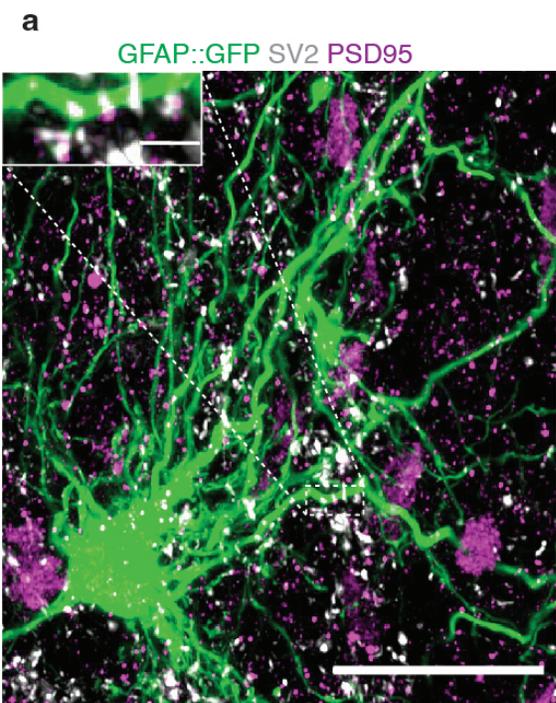




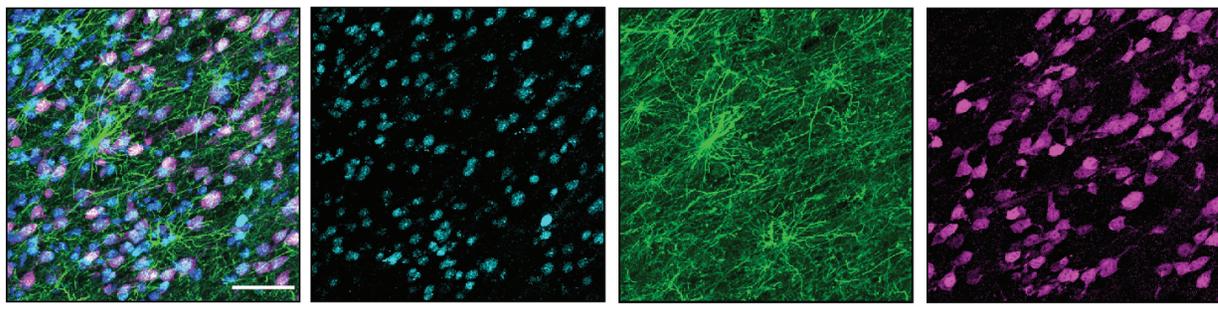




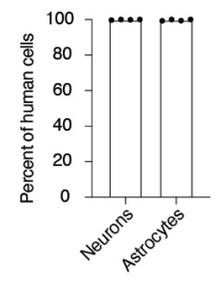




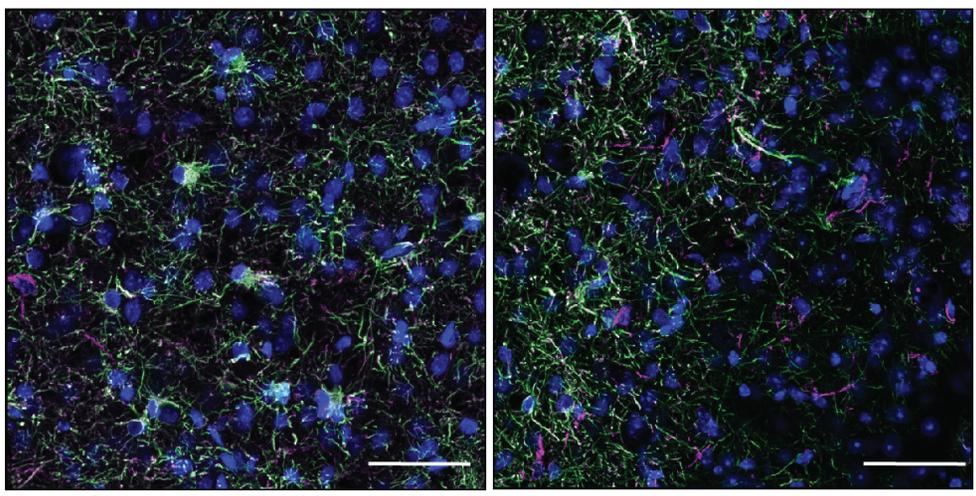
**a** DAPI HuNu GFAP NeuN



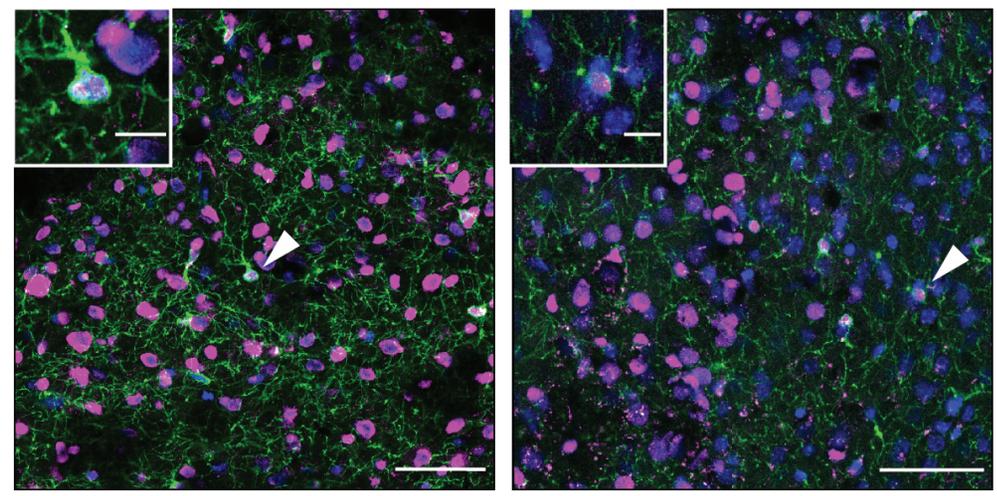
**b**



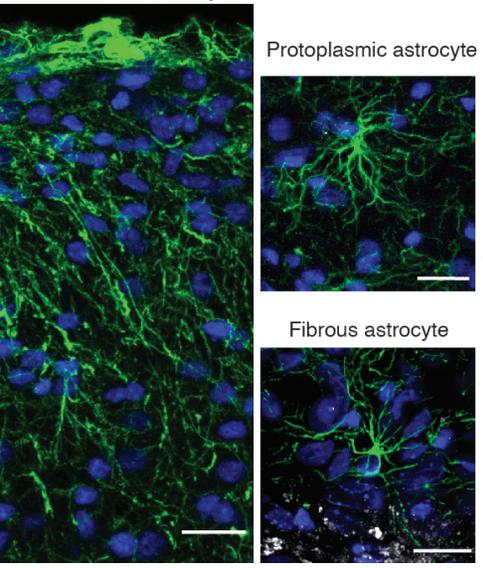
**c** Center DAPI hGFAP GFAP Border



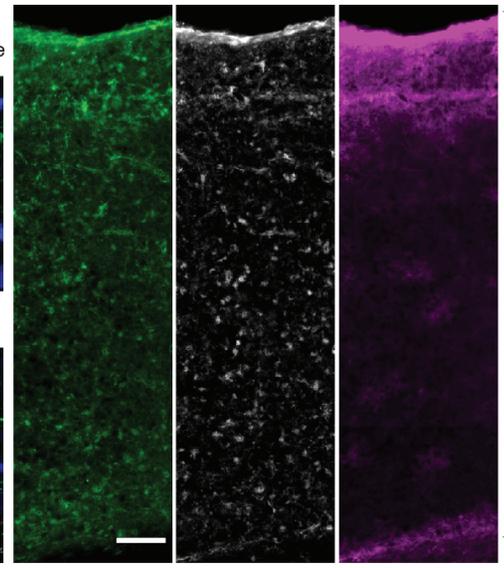
**d** Center DAPI PDGFR $\alpha$  HuNu Border



**e** DAPI hGFAP MBP  
Interlaminar astrocyte



**f** GFP S100B CD44



**g**

