

1 **Resolving transcriptional states and predicting lineages in the annelid *Capitella teleta* using**
2 **single-cell RNAseq**

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22 pseudotime, RNA velocity, gene regulatory network.

23

24 **Abstract**

25 Evolution and diversification of cell types has contributed to animal evolution. However, gene
26 regulatory mechanisms underlying cell fate acquisition during development remains largely
27 uncharacterized in spiralian. Here we use a whole-organism, single-cell transcriptomic approach
28 to map larval cell types in the annelid *Capitella teleta* at 24- and 48-hours post gastrulation
29 (stages 4 and 5). We identified eight unique cell clusters (undifferentiated precursors, ectoderm,
30 muscle, ciliary-band, gut, neurons, neurosecretory cells and protonephridia), thus helping to
31 identify previously uncharacterized molecular signatures such as novel neurosecretory cell
32 markers. Analysis of core regulatory programs in individual clusters revealed gene interactions that
33 can be used for comparisons of cell types across taxa. We examined the neural and
34 neurosecretory clusters more deeply and characterized a differentiation trajectory starting from
35 dividing precursors to neurons using Monocle3 and velocyto. Pseudotime analysis along this
36 trajectory identified temporally-distinct cell states undergoing progressive gene expression
37 changes over time. Our data revealed two potentially distinct neural differentiation trajectories
38 including an early trajectory for brain neurosecretory cells. This work provides a valuable
39 resource for future functional investigations to better understanding neurogenesis and the
40 transitions from neural precursors to neurons in an annelid.

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47 **Introduction**

48 Proper development of multicellular organisms relies on precise regulation of the cell
49 cycle relative to establishment of cell lineages and cell fate decisions, e.g., the maintenance of
50 proliferating cells versus the onset of differentiation. In general, many embryonic and
51 postembryonic tissues are generated by stem cells that give rise to multipotent precursor cells
52 whose daughters differentiate into tissue-specific, specialized cell types. Cell fate acquisition and
53 differentiation are directly regulated by changes in transcriptional gene regulation. Therefore,
54 understanding the underlying transcriptional dynamics is of utmost importance to understand
55 developmental processes. Furthermore, alterations in gene regulatory networks (GRNs) may
56 have driven diversification of cell types during animal evolution. According to Arendt (2016),
57 cell types are evolutionary units that can undergo evolutionary change. Therefore, to identify
58 related cell types across taxa, it is necessary to compare genomic information, such as shared
59 gene expression profiles or shared enhancers across individual cells from specific developmental
60 regions and stages.

61 More recently, single-cell RNA sequencing (scRNAseq) has emerged as a powerful
62 technique to understand the genome-wide transcriptomic landscapes of different cell types (Tang
63 et al., 2010; Hashimshony et al., 2012; Saliba et al., 2014; Trapnell et al., 2014b; Achim et al.,
64 2015; Satija et al., 2015; Kaia Achim, 2017; Vergara et al., 2017; Svensson et al., 2018; Zhong et
65 al., 2018). scRNAseq enables massively parallel sequencing of transcriptomic libraries prepared
66 from thousands of individual cells and allows for *in silico* identification and characterization of
67 distinct cell populations (Trapnell, 2015; Tanay and Regev, 2017). It can therefore provide
68 information regarding the various cell types that emerge during developmental processes (e.g.
69 neurogenesis) and elucidate how the transcriptomic landscape changes within stem cells and

70 their progeny as development progresses. As scRNAseq analysis algorithms allow for *a priori*
71 identification of individual cells within a population, one can process heterogenous cell
72 populations and unravel the transcriptomic signatures underlying such heterogeneity. This allows
73 for discovery of novel cell types and resolution of the transcriptional changes throughout a single
74 cell type's developmental journey. Emergence of this technology has therefore made it possible
75 to predict molecular trajectories that underlie cell fate specification by sampling across a large
76 number of cells during development and connecting transcriptomes of cells that have similar
77 gene expression profiles (Farrell et al., 2018). Such approaches have recently gained prominence
78 in evolutionary developmental biology and are being used to understand evolutionary
79 relationships between cell types across taxa. This has paved the way to systemic molecular
80 characterization of cell types and developmental regulatory mechanisms in understudied
81 metazoan lineages.

82 Although whole-organism scRNAseq approaches have been used to unravel cell type
83 repertoires in animal clades outside and across Bilateria (Kaia Achim, 2017; Farrell et al., 2018;
84 Plass et al., 2018; Sebe-Pedros et al., 2018a; Sebe-Pedros et al., 2018b; Foster et al., 2020), there
85 has been limited systemic information regarding cell type diversity and regulatory mechanisms
86 underlying differentiation trajectories in the third major clade Spiralia
87 (\approx Lophotrochozoa)(Marletaz et al., 2019). Whole-body scRNAseq has been performed on a few
88 spiralian such as the planarian *Schmidtea mediterranea* (Cao et al., 2017; Plass et al., 2018) and
89 the annelid *Platynereis dumerilii* (Achim et al., 2015; Kaia Achim, 2017). In *S. mediterranea*,
90 different classes of neoblasts and various differentiation trajectories emanating from a central
91 neoblast population were detected using whole-body scRNAseq (Plass et al. 2018). In *P.*
92 *dumerilii* larvae, whole-body scRNAseq yielded five differentiated states — anterior neural

93 domain, gut, ciliary-bands, an unknown cell population and muscles (Kaia Achim, 2017).
94 Similar transcriptomic information from other spiralian taxa can provide insight into conserved
95 cell types and their evolution.

96 In this manuscript, we used scRNAseq to characterize larval cell types at 24- and 48-
97 hours post gastrulation in the annelid *Capitella teleta* (Blake A. J, 2009)(Fig. 1), highlighting
98 potential genetic regulatory modules and differentiation trajectories underlying different cell
99 types. We (i) classified the captured cells into several molecular domains, (ii) predicted lineage
100 relationships between neural cells in an unbiased manner, and (iii) identified neurogenic gene
101 regulatory modules comprising genes that are likely involved in programming neural lineages.
102 We compared larval cell types identified in this study with those in *P. dumerilii* at roughly
103 similar stages during development. This study provides a valuable resource of transcriptionally
104 distinct cell types during *C. teleta* larval development and illuminates the use of scRNAseq
105 approaches for understanding molecular mechanisms of larval development in other previously
106 understudied invertebrates.

107

108 **Materials and Methods**

109 For the data reported here, cell dissociation and scRNAseq using the 10X genomics
110 platform was performed at the Single-cell Sequencing Core at Boston University, Boston,
111 Massachusetts. We tried replicating the 10X experiment at the Bauer Sequencing Core, Harvard
112 University; however, that run did not yield enough RNA for amplification and sequencing.

113

114 ***Capitella teleta* cell dissociation and single-cell suspension**

115 Total number of cells in *C. teleta* larvae at stages 4 and 5 were estimated by counting
116 Hoescht-labeled nuclei in the episphere at stages 4–5 (Fig. S1A, B) and from previously
117 collected cells counts in the trunk at stages 4 and 5 (Sur et al., 2020). At both stages, the
118 episphere was divided into 10 μm thick z-stacks and Hoescht⁺ nuclei were counted in each z-stack
119 using the Cell Counter plugin in Fiji. At stage 4, Hoescht⁺ nuclei in the unsegmented trunk were
120 counted within the presumptive neuroectoderm using a strategy previously described. Once the
121 trunk neuroectoderm becomes segmented by stage 5, Hoescht⁺ nuclei were counted in segments
122 2–4 and 5–7 within specific region of interests (Sur et al., 2020). We also optimized cell-
123 dissociation protocols in *C. teleta* (final protocol detailed below). Based on cell-dissociation
124 trials using three different proteolytic enzymes (papain, trypsin and pronase), we found 1%
125 papain yielded the highest number of dissociated cells but also led to a lower proportion of viable
126 cells (Fig. S1C). Cell counts were estimated after mechanical and proteolytic digestion, size-
127 exclusion of $>40 \mu\text{m}$ cells or cell-clumps, and three washes in artificial seawater or cell-media
128 (see below). Papain does not readily dissolve in seawater and hence needs to be resuspended in
129 dimethylformamide or dimethyl sulfoxide, which may have an adverse effect on the viability of
130 the dissociated cells. Cell dissociation using 1% Trypsin yielded the greatest number of viable
131 cells and was used to dissociate *C. teleta* cells for scRNAseq (Fig. S1C).

132 Next, for collecting high-quality starting material for scRNAseq, healthy males and
133 females were mated under controlled conditions and their offspring collected at the gastrula stage
134 (stage 3) (Seaver et al., 2005; Sur et al., 2017). Stage 4 and stage 5 larvae were collected from
135 two different sets of parents, each from a single mother. *Capitella teleta* embryos and larvae
136 were incubated in artificial seawater (ASW) with 50 $\mu\text{g}/\text{mL}$ penicillin and 60 $\mu\text{g}/\text{mL}$
137 streptomycin at 19 °C for 1–2 days until they reached stage 4 prototroch or stage 5 (Fig. 1). For

138 single-cell dissociation, 300 larvae from a single brood (i.e. from one male and female) for each
139 stage were then collected into 1.5 mL centrifuge tubes and equilibrated in $\text{Ca}^{2+}/\text{Mg}^{2+}$ -free ASW
140 (CMFSW). Most of the CMFSW was removed from the tubes, and larvae were mechanically
141 homogenized using separate, clean and sterile pestles as well as a hand-held homogenizer (Cole
142 Parmer, LabGEN 7B) for 5–10 seconds. Homogenized larvae from each stage were then
143 incubated in 1% Trypsin (SigmaAldrich, Cat# T4799-5G) in CMFSW for 30 minutes at room
144 temperature with constant rocking. During incubation, dissociated tissues were periodically
145 triturated using both wide-mouthed and narrow-mouthed Pasteur pipettes. After 30 minutes of
146 incubation, the tissue lysate was passed through a 40 μm nylon cell-strainer (Fisherbrand, Cat#
147 22-363-547) to get rid of undissociated cell-clumps. The resultant cell-suspension was then
148 centrifuged at 1100 x g for 7 minutes with slow-braking and washed twice in cell media that was
149 developed originally for marine hemichordate cell-cultures (3.3X Dulbecco's PBS and 20 mM
150 HEPES, pH = 7.4; Paul Bump, Lowe lab, personal communication). Dissociated cells were then
151 resuspended in the cell media and checked under an inverted phase-contrast microscope to
152 ensure a single-cell suspension was obtained.

153 Cells were counted using a Neubauer hemocytometer, and survivability was assayed
154 using a Trypan blue exclusion test. Cells were observed under the 20X objective of a Zeiss
155 AxioObserver-5 inverted microscope following Trypan-blue staining available at the Boston
156 University Single-Cell Sequencing Core to ensure cell viability prior to droplet generation.
157 Previous practice dissociations of *C. teleta* larvae and visual inspection using a Zeiss M2
158 microscope at 40X resolution revealed dissociated cells ranging from 2–12 μm in diameter (Fig.
159 1). Due to the small size of *C. teleta* cells and the unavailability of a high-resolution microscope,
160 the total number of cells dissociated in the cell-suspension could not be quantified confidently at

161 Boston University. Therefore, based on cell counts using the Zeiss AxioObserver-5 inverted
162 microscope under the 20X objective, cells were diluted to a target of 400 cells/ μ L. However, due
163 to our inability to accurately quantify cells and based on results from previous dissociation trials
164 and total number of cells estimated per stage 4 and 5 larvae, our final cell suspension may have
165 contained in the range of ~4000 cells/ μ L for stage 4 and ~2000 cells/ μ L for stage 5. A total of 15
166 μ L of the resuspended cell-suspension was used for droplet generation estimating a 67%
167 efficiency in droplet capture as per 10X genomics standard guidelines.

168

169 **Cell capture and sequencing**

170 *C. teleta* larval cells were captured in droplets and run on the 10X genomics scRNAseq
171 platform at the Boston University Single Cell Sequencing Core following the manufacturer's
172 instructions (Single Cell 3' v3 kit). The cDNA library and final library after index preparation
173 were checked with bioanalyzer (High Sensitivity DNA reagents, Agilent Technology #5067-
174 4626; Agilent 2100 Bioanalyzer) for quality control (Fig. S1D). Following library preparation,
175 sequencing was performed with paired-end sequencing of 150 bp each end on four lanes of
176 NextSeq500 per sample using the Illumina NextSeq500 High-Output v2 kit generating ~573
177 million reads in total.

178 To rectify our inability to control the number of cells input in the first trial, we repeated
179 the cell dissociation and cell-capture procedures at the Bauer Sequencing Core, Harvard
180 University. In this trial, we carefully counted and diluted cells to 400 cells/ μ L under a Zeiss M2
181 microscope using a 40X objective and loaded 15 μ L of the resuspended cell-suspension aiming
182 to capture ~4000 cells per stage estimating a 67% efficiency in droplet capture as per 10X
183 genomics standard guidelines. However, in this second trial, ~4000 captured cells did not

184 generate sufficient cDNA yield following whole transcriptome amplification to enable library
185 preparation for sequencing (Fig. S1E). This indicates that our first 10X genomics trial at Boston
186 University probably represents the best quality output possible using the 10X genomics
187 scRNAseq platform on *Capitella teleta* larval cells.

188

189 **Bioinformatic processing of raw sequencing data**

190 Transcriptome sequencing analysis and read mapping were performed using CellRanger
191 2.1.0 according to the manufacturer's guidelines. Reads were mapped onto the *Capitella teleta*
192 genome v1.0 obtained from gene-models deposited at GenBank
193 (GCA_000328365.1_Capca1_genomic.fasta;
194 https://www.ncbi.nlm.nih.gov/assembly/GCA_000328365.1/) and Ensembl
195 (Capitella_teleta.Capitella_teleta_v1.0.dna_sm.toplevel.fa;
196 ftp://ftp.ensemblgenomes.org/pub/metazoa/release-46/fastacapitella_teleta) using standard
197 CellRanger parameters. The gene annotation files (.gff) files were downloaded from the
198 respective genome databases. However, as CellRanger cannot read .gff files, each .gff file was
199 converted into .gtf files using the gffread command from the cufflinks package ([http://cole-](http://cole-trapnell-lab.github.io/cufflinks/file_formats/)
200 [trapnell-lab.github.io/cufflinks/file_formats/](http://cole-trapnell-lab.github.io/cufflinks/file_formats/)). Read mapping to the *Capitella teleta* genome v1.0
201 was visualized using the IGV 2.8.0 viewer. Mapping of the sequence reads to both Ensembl and
202 GenBank sequences yielded similar results. CellRanger generated a Digital Gene Expression
203 (DGE) matrix with genes as rows and cells as columns where paired-end reads, one containing
204 the cellular and molecular barcodes (Unique molecular identifiers, UMIs) and the other
205 containing the captured RNA fragment, were joined together in a .bam file and sorted using
206 samtools. Reads already tagged with the cell and molecular barcodes (UMIs) were further

207 trimmed at the 5' end to remove Illumina-specific sequencing adapter sequences and at the 3'
208 end to remove poly-A tails using CellRanger default parameters.

209

210 **Gene annotation**

211 To annotate the genes from the two versions of the *C. teleta* genome (Simakov et al.,
212 2013), reciprocal BLAST comparison of individual gene sequences against the Swiss-Prot
213 database was performed. For each transcript, the BLAST hit with the highest E-value was
214 selected for annotation. The translated reference transcriptome along with the *C. teleta* gene-
215 models were scanned using the HMMER suite 3.3 program hmmscan using default settings.
216 Using HMMER and Pfam v31.0 database, protein domains in the *C. teleta* transcriptome were
217 identified (Finn et al., 2016).

218

219 **Gene and cell filtering: Quality control and clustering analysis**

220 DGE matrices were analyzed using the R package Seurat 3.1.4 (Satija et al., 2015).
221 Because of our inability to control the number of cells that were used for droplet generation, and
222 to understand cell-state specific gene and UMI metrics, we performed an initial cluster analysis
223 using less stringent gene and UMI cutoffs. Initially, gene per cell cutoffs between >200 and
224 <3000 and UMI per cell cutoffs of >200 and <4000 were set. Genes that were expressed in at
225 least three cells were kept and cells that had more than 5% mitochondrial reads were excluded.
226 High mitochondrial content may indicate that a cell was stressed or dying. However, using such
227 cutoffs, not enough unique cell clusters were detected. This may be because particular cell-
228 doublet categories were not excluded in the cut-off selection. Therefore, this preliminary analysis

229 led us to increase the gene per cell cutoffs to >300 and <2500 in order to prevent the inclusion of
230 cell-doublings in our analysis.

231 We refined our gene/UMI cutoffs, and only genes that were expressed in at least three
232 cells with a minimum of 300 genes were included in the analysis. Moreover, we also discarded
233 cells with more than 2500 genes in sequences obtained from both samples in order to screen out
234 cell-doublings. A total of 9487 genes across 1072 cells for stage 4 and 13403 genes across 1785
235 cells for stage 5 from one 10X genomics experiment were included in the final analysis. This
236 accounts for around ~4 cells per stage 4 larva dissociated and ~6 cells per stage 5 larva
237 dissociated that were bioinformatically recovered from initially loaded ~200 cells per larva for
238 stage 4 and ~100 cells per larva loaded for stage 5. We only used 3.1% of Cell Ranger predicted
239 captured cells for stage 4 and 10.86% of predicted captured cells at stage 5 for downstream
240 analysis. UMI counts per gene in individual cells were normalized to the total UMI count of each
241 cell using the ‘LogNormalize’ function with a scale factor of 10,000 (Fig. S2). Clustering
242 analysis of the cells was done using the top 2000 variable genes identified using the
243 ‘FindVariableFeatures’ function (selection.method = vst, nfeatures = 2000) (Fig. S2A, B).
244 Following variable gene selection, data were then centered and scaled using the ‘Scale Data’
245 function with default parameters. These variable genes were then used to perform a principal
246 component analysis (PCA) on the scaled data. The top 15 PCs obtained were then tested for
247 significance using a JackStraw test that is part of the Seurat 3.1.4 parlance with 100 replicates.
248 Principal components (PCs) with a p-value of less than 1e-5 were used to perform a Louvain-
249 based clustering on the shared nearest neighbor (SNN) graph (Fig. S2E, F). For data
250 visualization, we performed t-distributed stochastic neighbor embedding (t-SNE) and Uniform
251 Manifold Approximation and Projection (UMAP) analysis. Specific cell-clusters were detected

252 using the ‘FindClusters’ function from Seurat using a resolution of 0.5. Dendrograms depicting
253 relationships between cell-clusters were generated using the ‘PlotClusterTree’ function.

254 Marker genes for individual clusters were identified using Seurat’s ‘FindAllMarkers’
255 function calculated using the Wilcoxon’s rank sum test. Using this approach, cells from each
256 population were compared against each of the other clusters in order to detect uniquely expressed
257 genes. Only genes that were enriched and expressed in 25% of the cells in each population
258 (min.pct = 2.5) and with a log fold difference larger than 0.25 (logfc.threshold = 0.25) were
259 considered. These differentially expressed genes per cluster were plotted on the feature plot
260 individually using the ‘FeaturePlot’ function in Seurat for visualization in either UMAP or t-SNE
261 space. The results also were visualized in a heatmap generated using the ‘DoHeatMap’ function.

262

263 **SWNE analysis**

264 Apart from t-SNE and UMAP analysis, we also performed similarly weighted non-
265 negative embedding (SWNE) analysis for visualizing high-dimensional single-cell gene
266 expression datasets for each of our samples. SWNE captures both local and global structure in
267 the data unlike t-SNE and UMAP embeddings, while enabling genes and biological factors that
268 separate cell types to be embedded directly onto the visualization. To perform the SWNE
269 analysis, a previously published R-based SWNE framework was used (Wu et al., 2018). The
270 analysis was performed on log-normalized read count data for a set of variable genes from a
271 previously generated Seurat object using the ‘RunSWNE’ function. Because the number of
272 factor embeddings representative of the dataset cannot be estimated *a priori*, this parameter
273 (called K) needs to be determined empirically. As the SWNE algorithm has the non-negative
274 matrix factorization (NMF) inherently built into it, we initially performed NMF analysis over a

275 broad range of K values ranging from 2 to 60 with steps of 2. The outputs of these separate runs
276 were compiled together in order to estimate the optimal K-value. To find the optimal number of
277 factors to use, the ‘FindNumFactors’ function was used. The function iterates over multiple
278 values of k and provides the optimal number of factors that best represent the dataset. Following
279 that, the NMF decomposition was run using the ‘RunNMF’ function that generates an output of
280 gene loadings (W) and NMF embeddings (H). Following the NMF analysis, the SWNE
281 embedding was run using the parameters: $\alpha.exp = 1.25$, $snn.exp = 0.25$ and $n_pull = 3$ that
282 control how the factors and neighboring cells affect the cell coordinates. The SWNE output was
283 analyzed using the gene loadings matrix. Since NMF creates a part-based representation of the
284 data, the factors often correspond to key biological processes or gene modules that explain the
285 data. The top factors for each gene were visualized as a heat map using the ‘ggHeat’ function.

286

287 **Subclustering of neural cells**

288 The neural and neurosecretory clusters obtained in the stage 5 t-SNE plot were isolated
289 from the differential gene expression matrix, and the previously described Seurat analysis was
290 repeated with the clustering resolution set at 0.5.

291

292 **Monocle3 pseudotime analysis**

293 Pseudotime analysis of the neurogenic lineage was performed using the Bioconductor
294 package Monocle3.0.2 (Trapnell et al., 2014b). For pseudotime analysis, the previously used
295 Seurat object generated from the neural cell subcluster was imported into Monocle3. Monocle3
296 was run on our normalized counts matrix for the subclustered neural dataset. The data was
297 subject to UMAP dimensional reduction and cell clustering using the ‘cluster_cells’ function

298 ('cluster_cells': resolution=0.001). A principal graph was plotted through the UMAP coordinates
299 using the 'learn_graph' function that represents the path through neurogenesis. This principal
300 graph was further used to order cells in pseudotime using the 'ordercells()' function in
301 Monocle3. Following that, we identified the population of neural precursor cells (NPCs) based
302 on expression of cell-cycle markers and re-ran 'ordercells()' with NPCs as the root cell state.
303 Genes changing as a function of pseudotime along the principal graph were determined using
304 'graph_test' function. Cells and most differentially expressed genes were then plotted in
305 pseudotime using default parameters in Monocle3. The most significantly expressed genes with
306 the greatest q-values were plotted on a heatmap of expression over pseudotime using the
307 'plot_pseudotime_heatmap' function in Monocle.

308

309 **RNA velocity estimation**

310 To calculate RNA velocity of single cells within the neural subcluster, we applied the
311 velocity R (v0.6) package (La Manno et al., 2018). Velocity uses the mapped reads from
312 CellRanger and counts the number of spliced and unspliced reads separately. As the CellRanger
313 read-mapping algorithm is splice-sensitive, the RNA velocity analysis can very easily be applied
314 on the .bam files generated by CellRanger. For our 10X output, counting was performed at the
315 level of molecules, taking into consideration the annotation (spliced, unspliced etc.) of all reads
316 associated with the molecule. A molecule was annotated as spliced, unspliced or ambiguous
317 based on the following criteria: a molecule was considered spliced if all of the reads in the set
318 mapped only to the exonic regions of the compatible transcripts whereas a molecule was called
319 as unspliced if at least one of the supporting reads were found to span exon-intron boundaries or
320 mapped to the intron of the transcript. Molecules for which some of the reads mapped

321 exclusively to the exons and some exclusively to the introns were categorized as “ambiguous”
322 and not used for downstream analysis (La Manno et al., 2018). The command-line interface
323 (CLI) for velocity R (v0.6) was run in permissive mode. In this setting, we only used the cells
324 mapped to the transcriptome that were present in our final neural subclustering Seurat analysis.
325 Using all cells from the stage 5 neural subcluster, we normalized the expression per cell and
326 selected the top 2000 variable genes to perform a PCA. Using the first 15 principal components
327 we performed a data imputation with a neighborhood of 200 cells ($k = 200$ nearest neighbors)
328 and calculated RNA velocities. All steps were performed using in-built parameters for fitting
329 gene-models, predicting velocity, extrapolating and plotting. To visualize the plots, we used the
330 t-SNE embedding as produced by the Seurat analysis.

331

332 **Results**

333 **Single-cell profiling of *C. teleta* stage 4 and 5 whole-body larvae**

334 To explore developmental trajectories and how transcriptomic landscapes across cells
335 change during early larval development in the marine annelid *Capitella teleta*, we dissociated
336 300 whole larvae from a single brood at both 24- and 48-hours post gastrulation, which
337 corresponds to stage 4 just after appearance of the prototroch ciliary band, and stage 5,
338 respectively. Based on Hoescht-labeled nuclei counts in the episphere and the trunk, we
339 estimated that a stage 4 larva has ~2000 cells and a stage 5 larva has ~4000 cells (Fig. S1A, B).
340 To enable random sampling of cells, we used 300 animals per stage to maximize the initial pool
341 of cells for cell-capture. We also tested multiple methods of cell dissociation and examined cell
342 survival rate (Fig. S1C). For scRNAseq, we dissociated cells in 1% trypsin for 30 minutes since
343 this yielded the best survival rate (97%). However, due to the unavailability of a high-resolution

344 microscope at the genomics facility and the small size of *C. teleta* dissociated cells (2–12 μm),
345 total number of cells could not be counted accurately (See Materials and Methods). Therefore,
346 based on previous pilot cell-dissociation trials (Fig. S1C), the number of cells were roughly
347 estimated in the dissociated cell-suspension. We intended to sequence ~4000 cells per stage but
348 due to technical limitations, we estimate that a much higher concentration of cells (see Methods)
349 was loaded into the droplet-based scRNAseq platform 10X Genomics Chromium (Fig. 1). After
350 sequencing and read-mapping, CellRanger predicted to have recovered 34,592 cells with 7,251
351 mean reads/cells from stage 4 and 16,434 cells with 17,837 mean reads/cell from stage 5 (Table
352 S1). Based on our rough estimations, we recovered around 55% of the total number of cells input
353 into the 10X Genomics system (~60,000 for stage 4 and ~30,000 for stage 5). However, there
354 appeared to be a lot of noise due to the presence of cell-doublets and free-flowing RNA
355 following cell-capture and sequencing. Hence, to identify distinct cell types from the stage 4 and
356 5 single-cell datasets, the assembled reads were passed through stringent Seurat quality control
357 and UMI filtering algorithms (Fig. S2). A second trial conducted with careful estimation of cell
358 counts and capturing ~4000 cells/stage did not yield enough cDNA to make high quality
359 sequencing libraries unlike the first trial (Fig. S1D, E). Following computational filtering of our
360 dataset to remove low-complexity transcriptomes, lowly-expressed genes and transcriptome
361 doublets, we bioinformatically recovered 1072 cells from 300 stage 4 larvae and 1785 cells from
362 300 stage 5 larvae that were used for downstream analysis. Although we only captured a small
363 fraction of cells after computational filtering, this is the first ever scRNAseq experiment on *C.*
364 *teleta* larvae using the 10X genomics platform, and we were able to resolve some discrete
365 transcriptional profiles and their underlying developmental trajectories.
366

367 **Transcriptional cell states in stage 4 and 5 larvae**

368 To classify cell population identities in the global dataset across the two *C. teleta* larval
369 stages, Seurat unsupervised clustering (Butler et al., 2018) of the aggregated data from stages 4
370 and 5 was conducted. UMAP analysis revealed six computationally identified clusters with a
371 tight group of cells (C0, C1, C3, C4, and C5) and one cell-population situated farther away (C2;
372 Fig. 2A). As at stages 4 and 5, majority of the cells in the *C. teleta* body are undifferentiated, and
373 these individual clusters likely represent distinct developmental trajectories through which cells
374 are progressing. Undifferentiated cells expressing receptors of growth factors (e.g. *fgfr11*, *egf-like*
375 *receptors*) and cell-cycle regulatory genes (e.g. *cdc6*, *mcmbp*, *cks1*; Fig. 2B, C) were found to be
376 scattered across all cell clusters. In order to assign cluster identity, we used previously
377 characterized genes in *C. teleta* and uncharacterized *C. teleta* genes homologous to known tissue
378 markers in other taxa. Each cluster was identified based on the analysis of the top 30
379 significantly enriched genes per cluster. Gene annotations are reported in Table S2.

380 Cluster C0 was enriched in genes predicted to be involved in extracellular matrix
381 remodeling such as *protogenin-A*, *protocadherin fat-4*, tyrosine protein kinase *csk1*, *chaoptin* and
382 *hepatocyte growth factor (hgf)*, indicating that these cells may be epidermal precursor cells (Fig.
383 2B, C). Similarly, differentially expressed genes in the C1 cluster included *UDP-D-xylose:L-*
384 *fucose alpha-1,3-D-xylosyltransferase 3 (rgxt3)*, *D-threonine aldolase (dta)*, a chitin-binding
385 peritrophin-A domain containing protein, and vacuolar protein sorting-associated protein 51
386 homolog (*vps51*) (Fig. 2B, C), all of which represent chitin-binding proteins and proteoglycans
387 (Shen and Jacobs-Lorena, 1999); however, the exact identity of cells in this cluster remained
388 unclear. The other clusters also had distinct expression profiles suggestive of specific identities,
389 C2: ciliary bands + neural cells (*tekt4a*, *rsph1*, *Ct-elav1*, *Ct-syt1*) among others, C3: gut secretory

390 cells (*colq*, *Ct-blimp*, *glna2*, *enteric neuropeptides*), C4: myoblasts (*Ct-wnt2*, tetratricopeptide
391 domain containing *unc45b*, F-box protein homolog *fbx22*, *vegfb*, *rer1*, *myosin heavy-chain*), and
392 C5: protonephridia (*S-formylglutathione hydrolase*, *hercynylcysteine sulfoxide lyase* and
393 *carbohydrate sulfotransferase 1*) (Fig. 2B–E). C3 also expressed some myogenic markers, albeit
394 at a lower level (Fig. 2E), which could indicate that a subset of developing muscle precursors
395 clustered here.

396 Interestingly, apart from C2, all other clusters expressed receptors for neurotransmitters
397 and neurohormones (Fig. 2F). C5 (protonephridia) was found to express dopaminergic
398 neuroreceptors (*drd5l*) and atrial-natriuretic peptide receptors (*anpra*) (Fig. 2F), while C3 was
399 particularly enriched in receptors for neurotransmitters and neuropeptides/hormones like
400 acetylcholine (*acm2* and *acha6*), GABA (*plcl2*), FMRF-amide (*fmar*), gonadotropin (*gnrr2*) and
401 somatostatin (*ssr5*). Even though the C3 cluster contained cells that expressed neurotransmitter
402 and neurohormone receptors, we think this cluster could largely contain gut and muscle cells
403 based on expression of these types of receptors in these cell types in other taxa (Florey and
404 Rathmayer, 1978; Walker et al., 1993; Terra et al., 2006; Crisp et al., 2010; Mirabeau and Joly,
405 2013; Hung et al., 2020; Wu et al., 2020a). Receptors for acetylcholine, FMRF-amide and
406 GABA have been reported to be localized to the body wall muscle in earthworms and leeches
407 (Walker et al., 1993). Spiralian FMRF-amide G-protein coupled receptors (GPCRs) were first
408 reported in *P. dumerilii* and were found to be homologous to insect neuropeptide receptors
409 responsive to neuropeptide-F (Elphick et al., 2018). In *C. teleta*, FMRF-amide⁺ neurons have
410 been shown to be associated with the midgut (Meyer et al., 2015). Both glutamate and GABA
411 signaling have been reported in midgut epithelial cells in insects (Terra et al., 2006; Hung et al.,
412 2020). Somatostatin/allatostatin-C encodes for a neuropeptide family of hormones that are

413 expressed in *D. melanogaster* midgut endocrine cells (Wu et al., 2020a), while octopamine
414 GPCRs have been reported in the annelid *P. dumerillii* and the priapulid *Priapulid caudatus*
415 where they were shown to be activated in presence of dopamine, tyramine and octopamine
416 ligands (Bauknecht and Jekely, 2017). Such neuropeptide- and neurotransmitter-signaling
417 repertoires may regulate diverse behavioral changes associated with life-phase transitions in *C.*
418 *teleta* based on previous evidence from *P. dumerillii* (Conzelmann et al., 2013).
419 The neurotransmitter and neuropeptide receptors characterized in our dataset can also serve as a
420 valuable resource for better understanding neurotransmitter and neuropeptide signaling in *C.*
421 *teleta*.

422

423 **Overall molecular changes across *C. teleta* larval development**

424 An unsupervised graph-based clustering approach was used to separately analyze
425 transcriptomic data at stages 4 and 5. Datasets were visualized with t-SNE dimensionality
426 reduction (Fig. 2, Fig. 3A, Fig. 4A). In our stage 4 dataset, we detected ~174 median genes per
427 cell and around ~740 median UMIs per cell, while in our stage 5 dataset, we detected ~241
428 median genes per cell and ~1145 median UMIs per cell (Fig. S2, Table S1). At both stages 4 and
429 5, t-SNE analysis revealed a large population of cells (C0; gray) that were enriched in ribosomal
430 genes (RL10, RS9, RS4), cell proliferation markers (e.g. *pcna*), S-phase and M-phase cell-cycle
431 markers (e.g. *cks1*, *mcm3*, *rfa3*, *wee1*) and chromatin remodeling genes (e.g. *acinu*, *bptf*),
432 indicating that these cells are undifferentiated, developmental precursors (Fig. 3A, B, D, G, Fig.
433 4A, B, Table S3, S4). Such a finding is expected as the *C. teleta* larval body at this stage largely
434 comprises proliferative cells (Seaver et al., 2005; Sur et al., 2020). The C0 cluster may contain
435 different subsets of precursors or stem cells that give rise to different tissues throughout *C. teleta*

436 development. Expression of *Ct-soxB1* in many of these cells indicates that at least a subset is
437 ectodermal in origin (Fig. 3B, D, Fig. 4B, C). At stage 5 but not stage 4, some cells within C0
438 were also found to express muscle-associated markers such as *hand2*, *troponinC* and *twitchin*
439 (data not shown). Therefore, we generically named this cluster ‘precursors’. In both datasets, we
440 detected a few C0 cells that expressed *Ct-piwil* and *Ct-hes2* (Fig. S3A, Fig. S5A). *Ct-piwil* has
441 been characterized as a marker of both somatic and germline stem-cells in *C. teleta* (Giani et al.,
442 2011), while *Ct-hes2* is a homolog of the vertebrate *hes1a* gene, which is a *Notch* target and
443 regulates stem-cell maintenance and cell-cycle progression. *Ct-hes2* is broadly expressed in
444 larvae, including in lateral ectoderm and the posterior growth zone where new segments are
445 generated from stage 7 onward in *C. teleta* (Thamm and Seaver, 2008). C0 in both datasets
446 comprises a complex set of cells that express markers representative of various tissues and may
447 represent uncommitted cells with different developmental trajectories.

448 C1 in the stage 4 dataset and C2 in the stage 5 dataset primarily expressed markers
449 associated with cellular tight junctions and extracellular matrix (e.g. *claudin*, *lamin a/c*, *annexin7*
450 and *p4ha2*) as well as genes shared with C0 and the neural cluster (Fig. 3B, Fig. 4B, Fig. S3B,
451 Fig. S5B). Lamin A/C and *p4ha2* have been identified in the epidermis of *P. dumerilii* and other
452 spiralian (Kim et al., 2012; Kaia Achim, 2017). *Claudin* is a tetraspanning transmembrane
453 protein that is an integral component of tight junctions (Krause et al., 2008; Piontek et al., 2008)
454 while *annexin-7* has calcium-dependent membrane-binding activity in most animals. Finding
455 shared expression of putative epidermal and neural markers could corroborate previous lineage
456 tracing data suggesting that individual precursor cells in the neuroectoderm generate anywhere
457 from one to 50 neural cells as well as one or two epidermal cells (Meyer and Seaver, 2009).
458 Therefore, based on the expression of extracellular matrix remodeling genes and neural markers,

459 C1 in stage 4 and C2 in stage 5 was identified as “ectodermal precursor cells”. Cells in the C1
460 cluster in the stage 5 dataset (Fig. 4A) expressed similar genes as in C1 of the aggregated dataset
461 (Fig. 2A, B) such as *D-threonine aldolase (dta)* and vacuolar protein sorting-associated protein
462 51 homolog (*vps51*) as a result of which its identity remained unclear.

463 In the stage 4 dataset, C2 represents ciliary-band cells that express homologs in the
464 *dynein* family (*dyhc*, *dyhc2*, *dyh7*, *dyh5*, *dy13*, *hydin* etc.), radial spoke-head genes (*rsph1* and
465 *rsph3*) and intraflagellar transport-proteins (*ift80*) associated with the axonemal apparatus of cilia
466 (Fig. 3B, E, Fig. S3C), similar to *P. dumerilii* (Kaia Achim 2017). Moreover, these ciliary-band
467 cells at stage 4 do not express any of the S-phase or M-phase markers indicating that these cells
468 are not proliferating (Fig. 3B, G). *Hydin* encodes for a protein that constitutes the axonemal
469 central-pair apparatus that regulates cilia motility while IFT80 constitute part of the molecular
470 machinery underlying cilia motility. However, at stage 5, cells expressing these same ciliary
471 markers were found to be scattered across all clusters and did not resolve as a distinct cluster
472 (Fig. 4B, Fig. S5C).

473 C3 in the stage 4 dataset (Fig. 3A, B) and C5 in the stage 5 dataset (Fig. 4A, B) were
474 identified as “gut” based on some of the highly expressed markers in that cell-cluster including
475 peptidases (e.g. *antistatin*, *tyrosinase*), secretory proteins (e.g. *lipophilin*, *profilin*) and
476 glycotransferases (e.g. *lrg2b* and *alg13*) (Fig. 3B, Fig. 4B). These cells were also found to
477 express *hepatocyte nuclear factor 4a (hnf4a)*, *tetraspanin-11* and *collagen alpha* (Fig. 3B, D, E,
478 Fig. 4B, C, Fig. S3D, Fig. S4D), which have been shown to be expressed in midgut cells in *P.*
479 *dumerilii* (Kaia Achim 2017) and in digestive cells of the cnidarian *Nematostella vectensis*, the
480 ctenophore *Mnemiopsis lyeidi* and the sponge *Amphimedon queenslandica* (Sebe-Pedros et al.,
481 2018a; Sebe-Pedros et al., 2018b). However, *collagen alpha* expression was not detected in the

482 stage 5 “gut” cluster while *tetraspanin-11* was one of the most enriched genes in the C5 cluster
483 of the stage 5 dataset (Fig. 4C). Interestingly, *Ct-gataB1*, which is expressed in endodermal cells
484 at stage 4 in *C. teleta* and in the large, yolky midgut cells at later larval stages, was found to be
485 excluded from the ‘gut’ cluster at stage 4 but not at stage 5 (Fig. S3D). However, at both stages,
486 *hnf4a* and *Ct-gataB1* were expressed in a subset of cells in the C0 “precursors” clusters (Fig.
487 S3D, Fig. S5D). Previous lineage tracing experiments identified a population of small, interstitial
488 cells in the midgut of *C. teleta* larvae (Meyer et al., 2010), but the genes expressed in these
489 interstitial midgut cells have not been characterized. Since the C3 cluster at stage 4 expresses
490 digestive enzymes but not *Ct-gataB1*, these could represent interstitial midgut cells. At stage 5,
491 the C5 cluster may include both *Ct-gataB1*⁺ large, yolky midgut cells as well as interstitial
492 midgut cells. One possible reason for the clustering of *Ct-gataB1*⁺ cells among precursor cells at
493 stage 4 may be because of the proliferative nature of early endodermal cells. As a result, our
494 bioinformatic pipeline detected these *Ct-gataB1*⁺ cells to be more similar to the dividing
495 precursors than the C3 gut cells. At stage 5, the *Ct-gataB1*⁺ cells may have a decreased
496 proliferative potential and hence are clustered with the other ‘gut’ cells. However, this awaits
497 further verification using cell proliferation assays and in-situ hybridization.

498 Lastly, the C4 cluster in the stage 4 dataset and C3 in the stage 5 dataset likely have a
499 neural identity based on expression of neural differentiation markers such as *Ct-elav1*, *Ct-syt1*,
500 *Ct-msi*, *Ct-neuroD* and *Ct-syt1* (Meyer and Seaver, 2009; Meyer et al., 2015; Sur et al.,
501 2017)(Fig. 3B, D–F, Fig. 4B, C, Fig. S3F, G, Fig. S5F, G). S-phase markers were also expressed
502 in the ‘neural’ cluster at stages 4 and 5 indicating that these may be dividing neural progenitors
503 given their spatial proximity to *Ct-elav1*⁺ and *Ct-syt1*⁺ cells in the tSNE plot (Fig. 3B, D, Fig.
504 4B, C, Fig. S3E, Fig. S5E). In the stage 4 dataset, a few cells in C1 were also found to express

505 some neural markers (e.g. *Ct-ngn*, *Ct-ash1*, *Ct-msi* and *Ct-elav1*) (Fig. 3D). At stages 4 and 5,
506 previous work using whole-mount in situ hybridization found that *Ct-ngn* and *Ct-ash1* are
507 expressed in neural precursor cells (NPCs) and dividing foregut precursor cells. *Ct-ash1* is also
508 expressed weakly in dividing mesodermal precursor cells and in some ectodermal cells outside
509 the neuroectoderm (Meyer and Seaver, 2009; Sur et al., 2017; Sur et al., 2020). Therefore, in the
510 C1 cluster at stage 4, the *Ct-ngn*⁺/*Ct-ash1*⁺ cells may be ectodermal precursors, NPCs, and/or
511 foregut precursor cells, while *Ct-ngn*⁻/*Ct-ash1*⁺ cells may be mesodermal precursor cells.
512 Previous work has also shown that *Ct-msi*, *Ct-elav1* and *Ct-syt1* are exclusively expressed in
513 differentiating and differentiated neurons (Meyer and Seaver, 2009; Meyer et al., 2015; Sur et
514 al., 2017; Sur et al., 2020). Therefore, *Ct-elav1*⁺/*Ct-syt1*⁺ cells in the C4 cluster at stage 4 are
515 likely neurons, which first form in the developing brain and around the mouth (Meyer et al.,
516 2015). At stage 5, the neural cells form a more coherent cluster C3, comprising NPCs expressing
517 cell-cycle markers, intermediate differentiation states expressing *Ct-ngn*, *Ct-neuroD* and *Ct-*
518 *ash1*, and mature neurons expressing *Ct-elav1*, *Ct-msi* and *Ct-syt1* (Fig. 4B, C; Fig. S5F, G). *Ct-*
519 *elav1* and *Ct-syt1* were found to be more enriched and restricted to C3 in the stage 5 dataset
520 unlike our observations at stage 4. At both stages we also observed the expression of *Ct-*
521 *hunchback* in the neural cluster as previously reported in *Capitella* (Werbrock et al., 2001) and
522 *P. dumerilii* (Kerner et al., 2006), and a homolog of MAP-kinase interacting serine/threonine
523 kinase (*MKNKI*) in neural cells possibly indicating the involvement of the MAP-kinase signaling
524 pathway during *C. teleta* neural development.

525 At stage 5, we also identified two additional discrete clusters from stage 4. C4 in the
526 stage 5 dataset was classified as ‘neurosecretory’ based on the expression of markers genes such
527 as the sodium- and chloride-dependent glycine transporter (*sc6a5*) and *synaptotagmin-4* (*syt4*)

528 and *secretogranin-V* (*scg5*) (Fig. 4B, C, Fig. S5G, H). Neurosecretory cells secrete neuropeptides
529 or hormones in response to neural input. A few neurosecretory cells were also detected as early
530 as stage 4, and these cells clustered within the neural cluster (C4) (Fig. 3B; Fig. S3G, H). These
531 cells could represent neurosecretory brain centers, which have been previously reported in other
532 annelids (Tessmar-Raible et al., 2007; Williams et al., 2017). The function of the *sc6a5* gene is
533 to impart neurosecretory fate by inhibiting glycinergic neurotransmission. In addition, non-
534 calcium binding members of the Synaptotagmin family (i.e. Syt4) and *Syt-alpha* are implicated
535 in the generation of large, dense-core vesicles for neurosecretion and have been found to be
536 highly expressed in neurosecretory cells (Moghadam and Jackson, 2013; Park et al., 2014).
537 *Secretogranin-V* is a neuroendocrine precursor protein that regulates pituitary hormone secretion
538 in mammals. Marker genes that characterize the neurosecretory cell-cluster (C4) are largely
539 expressed within the neural cluster (C3) as well in the stage 5 dataset. A few unique genes
540 expressed by the neurosecretory cells were *neuroendocrine convertase 2*, *prohormone*
541 *convertase* (Fig. S5H), and *conopressin/neurophysin* (data not shown). Neurophysin has been
542 characterized in the developing neurosecretory brain centers in the annelid *P. dumerilii* and
543 zebrafish *D. rerio* (Tessmar-Raible et al., 2007). In addition to neurosecretory cells, we also
544 identified a protonephridia cluster, C6, at stage 5 based on the expression of sulfotransferases
545 involved in the urea-cycle, e.g., *uronyl sulfotransferase*, *UDP glucouronic acid decarboxylase*
546 and *carbohydrate sulfotransferases* (Fig. 4B, C).

547 We further examined relationships between all cell-clusters using PlotClusterTree in
548 Seurat as this better represents transcriptional similarities between clusters than t-SNE distance.
549 We found that the neural cluster branches out first followed by the other non-neural cell-clusters
550 (Fig. 3C). This further confirms that the neural tissue is the first to be specified during *C. teleta*

551 development and exhibits more transcriptional similarity to ectodermal precursor cells (C1) than
552 any other cluster.

553 To decipher differentially-expressed, coregulatory gene modules within each cluster, we
554 also projected both datasets using SWNE on a high-dimensional space correlated with non-
555 negative matrix factorization (NMF) factor embeddings (Wu et al., 2018). In the stage 4 dataset,
556 our SWNE visualization (Fig. S4) showed a central precursor population that branches into four
557 differentiation trajectories: ectoderm, ciliary-band, foregut and neural (Fig. S4A, B). At stage 5,
558 the protonephridia cluster emanated from the central ectodermal cluster while the neural cluster
559 split into two, giving rise to the neurosecretory cluster (Fig. S6A, B).

560 Based on our SWNE embeddings plot, we deciphered differentially expressed genes for
561 each cluster. The highest number of differentially expressed genes were found in the neural cell-
562 cluster in both stages. For example, at stage 4, a glutamate receptor gene *grik4* and a tyrosine-
563 protein phosphatase non-receptor type 4 gene (*ptn4*) were found to be coregulated together in a
564 subset of neural cells (Fig. S4B). The gene *ptn4* encodes for a non-receptor tyrosine kinase
565 (nRTK), and members of this family have been found to be abundantly present in excitatory
566 synapses in the mammalian brain where they interact directly with glutamate receptors and
567 phosphorylate tyrosine sites (Mao and Wang, 2016). Hence, cells expressing “factor 3” within
568 the neural cluster may represent neurons that are excited by glutamate (Fig. S4A). These may
569 also represent one of the first neuronal sub-types to differentiate during early *C. teleta*
570 development. At stage 5, some uniquely expressed genes in the neurosecretory cells revealed by
571 our SWNE analysis include *myom1* (myomodulin neuropeptides 1) and *orckB* (orcokinin
572 neuropeptides class B) (Fig. S6B). Myomodulin is a bioactive neuropeptide that was found to be
573 secreted by a cholinergic motor neuron in the mollusk *Aplysia californica* and regulates

574 contraction of the buccal muscles during feeding (Cropper et al., 1987). Putative neurosecretory
575 cells expressing *myom1* in *C. teleta* were coregulated with other G-protein coupled receptor
576 messengers such as *plpr1* and *y1760* that provide insight into the *myom1* mediated neuropeptide
577 signaling pathway (Fig. S6B). An orcokinin-like neuropeptide was previously identified in the *C.*
578 *teleta* genome (Veenstra, 2011). Orcokinins have been detected in multiple other taxa such as
579 insects, crustaceans, tardigrades, mollusks and sea-stars. In crustaceans, orcokinin neuropeptides
580 have been shown to act as neuromodulators in the CNS and regulate peripheral neuromuscular
581 junctions (Li et al., 2002). Using our unsupervised graph clustering and SWNE analysis, we
582 show developmental trajectories of multiple cell types simultaneously, which was previously not
583 possible using other techniques in *C. teleta*.

584

585 **Sub-clustering of neural cells reveals neural cell type diversity during neurogenesis**

586 To gain better insight into the different neural cell types present in our stage 5 dataset, we
587 further subclustered and curated cells from the neural (C3) and neurosecretory clusters (C4)
588 using Seurat to obtain neural-specific t-SNE and UMAP plots (Fig. 5, Fig. 6, Fig. S7). Some
589 proliferative cells expressing *Ct-soxB1* and bHLH factors like *Ct-ash1* and *Ct-ngn* were found to
590 cluster within the C0 and C2 cells, however, their exact identity was not clear (see previous
591 section) and hence these cells were not included in this analysis. As t-SNE plots do not preserve
592 global data structure, i.e., only within cluster distances are meaningful and between cluster
593 similarities are not guaranteed, we also plotted UMAP plots to better project the relationships of
594 the individual neural subclusters (Fig. 6A, Fig. S7). SWNE analysis was also performed on the
595 neural sub-cluster dataset to identify co-expressed genes (Fig. S8).

596 Based on our t-SNE plot, we identified four clusters within the combined neural and
597 neurosecretory group: (a) undifferentiated neural progenitors, (b) intermediate differentiation
598 bridge, (c) differentiating neurosecretory cells and (d) mature neurons/neurosecretory cells
599 containing a mixture of neurons with both neurotransmitter and neurohormonal output (Fig. 5A).
600 The undifferentiated progenitors were identified based in the expression of S-phase markers such
601 as *cdc6*, *cks1*, *rfa2*, *dpola*, *wee1* and replication licensing factors such *mcm3* and *mcm7* (Fig. 5B,
602 C) as well as M-phase markers such as *ccnb*, *mpip* and *cdk1*. These cells were also found to
603 exclusively express *Ct-notch* (Fig. 5B, C). *Ct-notch* is expressed in both surface and subsurface
604 cells the anterior neuroectoderm at stage 5 (Meyer and Seaver, 2009). We have previously shown
605 in the *C. teleta* anterior neuroectoderm that surface cells primarily comprise rapidly dividing
606 neural precursor cells (NPCs) while subsurface cells are largely post-mitotic neural cells (Meyer
607 and Seaver, 2009; Sur et al., 2017; Sur et al., 2020). Hence this cluster may represent a
608 combination of rapidly dividing NPCs and a few progenitors with limited proliferative potential.
609 We named this cluster “NPCs”. Similar to our previous observations using EdU and fluorescent
610 in-situ hybridization (FISH) (Sur et al., 2020), we observed *Ct-ash1* and *Ct-ngn* expression in
611 this cluster (Fig. 5B, C, blue arrow). These undifferentiated cells were also found to express *Ct-*
612 *msi* and *Ct-elav2* albeit at a much lower level (Fig. 5B) indicating that neural progenitors
613 possibly express *Ct-msi* at lower expression levels.

614 We detected two transitional differentiation states (blue and green populations), one
615 uniquely expressing pan-neural markers like *Ct-msi* and *Ct-elav2* that we named “differentiation
616 bridge” and the other uniquely expressing *glutamine synthetase (glna2)*, *androglobin (adgb)*,
617 *endophilin-1 (shlb1)*, *neuroendocrine convertase (nec2)*, and *synaptotagmin-4 (syt4)* (Fig. 5A,
618 B). *Glna2* is an enzyme involved in glutamine synthesis in excitatory glutaminergic neurons and

619 has been shown to regulate the secretion of various adenohipophyseal hormones (Hrabovszky
620 and Liposits, 2008). *Syt4* was found to be expressed in the neuroendocrine center of the
621 vertebrate hypothalamus regulating oxytocin secretion (Zhang et al., 2011) as well as in the
622 neuroendocrine center of the *P. dumerlii* head (Kaia Achim, 2017). Based on the expression of
623 these genes, which are involved in the neuroendocrine pathway, we named this cell cluster
624 (green population) “neurosecretory”. Both the intermediate differentiation bridge and
625 differentiating neurosecretory cells (blue and green), expressed *Ct-elav1*, *Ct-neuroD* and *Ct-pou6*
626 (Fig. 5B, C, Fig. 6A, Fig. S7A). A subset of cells in the “differentiation bridge” also expressed
627 *Ct-ngn* and *Ct-ash1* indicating a later role in *C. teleta* neurogenesis (Fig. 5B, C).

628 The fourth cell population within the neural cluster expressed mature neuronal markers
629 such as *synaptotagmin-1* (*Ct-syt1*), *alpha-tubulin*, *Ct-synapsin* as well as neurosecretory markers
630 such as *Ct-syt4* (Fig. 5B, C). Within the mature neuronal cell type, we detected a variety of
631 neuronal subtypes: (i) glutaminergic neurons expressing *glutamine synthetase* (*glna2*) and
632 *vesicular glutamate transporter* (*vgl2b*), (ii) cholinergic neurons expressing *acetylcholinesterase*
633 (*aces*) and *vesicular acetylcholine transporter* (*vacht*), (iii) GABAergic neurons expressing
634 *sodium- and chloride-dependent GABA transporter 1* (*sc6a1*), and (iv) neuroendocrine subtypes
635 expressing *Ct-syt4*, *secretogranin-V* and *prohormone-4* among others (Fig. 5A–C). A subset of
636 cells in the “mature neuron” cluster expressed these neuroendocrine genes at a much higher level
637 than observed in the differentiating neurosecretory cells (green population), possibly indicating
638 that these are mature neuroendocrine cells that clustered with the other mature neuronal subtypes
639 (Fig. 5B). Overall, our t-SNE and UMAP analyses highlighted different neural cell types that
640 were previously reported (Meyer and Seaver, 2009; Sur et al., 2017; Sur et al., 2020) as well as

641 previously unknown neuronal subtypes within each cell-cluster that await further
642 characterization.

643 Next, we applied SWNE analysis to identify coregulated gene modules within each
644 neural cell type (Fig. S8). We observed different sets of co-expressed genes in the
645 undifferentiated cluster. One such coregulated subset of genes included *cks1* (cyclin-dependent
646 kinase regulatory subunit 1), *bafB* (Barrier to autointegration factor B) and *hgv2* nucleosomal
647 assembly factor. All three genes in this module play important roles in cell-cycle progression
648 (Furukawa et al., 2003) (Fig. S8A, B). The differentiation transition states were also found to co-
649 express genes such as *neuroD*, *dpys* and *rdh11* and *talin-1* indicating that cells in this cluster are
650 already on distinct neural differentiation trajectories. *Talin-1* was expressed in another gene
651 module present in the differentiating neurosecretory cells along with an EF-hand domain
652 containing protein and a gene encoding a potassium voltage-gated channel subfamily H8
653 (*kcnh8*). Among the cells that clustered within the mature neuronal cluster, we detected subsets
654 of cells expressing genes encoding V-type proton ATPase (*vat1*) as well as peptidergic neuronal
655 markers such as *myom1* and *orckB* (Fig. S8A, B).

656

657 **Computational lineage reconstruction reveals temporal relationships between neural cell** 658 **types**

659 To understand pseudotemporal relationships between the different neural cell types at
660 stage 5, we used Monocle3.0.2, which orders cells based on similarities of their global
661 transcriptional profiles. Starting from the neighborhood graph generated in t-SNE or UMAP
662 space (Fig. 6A), Monocle uses reversed graph embedding to reconstruct single-cell trajectories in
663 a fully unsupervised manner (Trapnell et al., 2014a; Qiu et al., 2017). Using Monocle, we also

664 identified variable gene sets or modules in different cell states (Fig. S9). While running the
665 Monocle3 algorithm without any assumptions about the trajectory, we obtained an abstracted
666 graph that allowed us to derive a single differentiation tree that included all the neural cell types
667 and linked them to one root, the NPC cluster (Fig. 6B). Along the trajectory, cells were ordered
668 based on their developmental origin and state of differentiation (Fig. 6A, B). This generated a
669 pseudotime trajectory with six distinct cell states (Fig. 6C–E). These were defined by the
670 expression of *Ct-notch* and S-phase markers (*mcm7*, *rfa2*, *dpola*, *cks1*) for the NPC state; *Ct-ngn*
671 and *wee1* for a progenitor state; *kif1a*, *band7*, *mprg*, *hemicentin-1*, and *Ct-syt4* for an
672 intermediate neuronal differentiation state; *pal2*, *glna2*, *plp*, and *rdh11* for an intermediate
673 neurosecretory differentiation state; *Ct-syt1*, *Ct-synapsin*, *synaptobrevin*, *neurensin*,
674 *neuroendocrine convertase-2 (nec2)* among others in the final state comprising both mature
675 neuronal and neuroendocrine cell types (Fig. 6E, Fig. S7A–G). Interestingly, the proximity of
676 these cell types in the UMAP plot (Fig. 6A) indicated that their transcriptomes are closely related
677 in a continuous fashion.

678 To identify temporal progression of genes that may be involved in neurogenic cell fate
679 decisions, we mapped some previously characterized genes that significantly varied in their
680 pseudotemporal expression and looked more closely at their expression dynamics (Fig. 6C). This
681 analysis showed several discrete shifts in gene expression patterns during *C. teleta* neurogenesis.
682 For example, S-phase markers (*mcm7*, *rfa2* and *dpola*) and *Ct-notch* were only expressed in
683 proliferating NPCs and were rapidly downregulated at the onset of differentiation (Fig. 6D, E).
684 In another subset of NPCs (Fig. 6A–C), genes like *wee1*, *Ct-ngn* and other bHLH transcription
685 factors such as *Ct-ash1* and *Ct-atonal* were upregulated later in pseudotime than the S-phase
686 markers and were not downregulated until the latter stages of neural differentiation (Fig. 6D, E;

687 Fig. S9). Expression of *Ct-neuroD* peaked as *Ct-soxB1* and *Ct-ngn* began to become
688 downregulated (Fig. 6D). Such an observation closely follows patterns obtained using double-
689 FISH and FISH+EdU experiments reported previously (Sur et al., 2020). Genes involved in
690 imparting a neurosecretory identity such as *secretogranin-V*, *pal2* and *glutamine synthetase*
691 (*glna2*) were found in the next step of the cascade of differentiating cells (Fig. 6A–E). These
692 genes turned on as *Ct-neuroD* expression began to decline (Fig. 6D) but were downregulated
693 prior to the expression of the next subset of markers such as *Ct-syt1*, *Ct-syt4*, *Ct-synapsin*,
694 *neurensin*, and *synaptobrevin (snaa)* among others, which initiated their expression and
695 increased later in pseudotime (Fig. 6E, Fig. S7G). These late-expressing genes like *Ct-syt1*, *Ct-*
696 *syt4*, *Ct-synapsin* and *snaa* likely modulate neurotransmitter and neurohormonal release in the
697 presynaptic cleft and hence are expressed in mature neurons. Therefore, our pseudotemporal
698 analysis revealed the onset of the neurosecretory program prior to the neuronal program. Neural
699 subtype specific markers such as *acetylcholinesterase (aces)*, *vesicular acetylcholine transporter*
700 (*vacht*), *glna2* and *sc6a1* were expressed even later in pseudotime and represent different
701 neuronal subtypes such as cholinergic and GABAergic neurons (Fig. 6E, Fig. S7D).
702 Interestingly, we also observed expression of *neuroendocrine convertase (nec2)* in this
703 pseudotemporal cluster indicating some mature neuroendocrine cells as well. Overall our
704 pseudotemporal analysis elucidated two differentiation trajectories from undifferentiated
705 progenitors to mature neuronal or neurosecretory cell types and identified both previously-
706 known and unknown markers for neurogenesis along both trajectories in *C. teleta*.

707

708 **RNA velocity analysis confirms lineage relationships predicted by Monocle3**

709 To independently validate the differentiation trajectories predicted by Monocle3 and to
710 gain insight into dynamics of stem-cell activation and differentiation, we used velocity (La
711 Manno et al., 2018), a computational method that tracks recent changes in transcriptional rate of
712 a gene to predict future mRNA levels of that gene (Fig. 7A, B). These transcriptional rate
713 changes are estimated for each gene by calculating the ratio of spliced versus unspliced reads in
714 the sequencing data (Fig. S10A, B; Fig. S11) and extrapolating over all genes across all cells in
715 the dataset. The timescale of future cell-state prediction is on the scale of a few hours (La Manno
716 et al., 2018).

717 We estimated RNA velocity for each cell within the combined neural and neurosecretory
718 group at stage 5 (C3 + C4) to assess the relationship between NPCs, differentiating neurons and
719 mature neurons. We projected the estimated cell states onto the t-SNE plot, which describes the
720 path predicted by the RNA velocity algorithm and visualized the results by plotting an arrow for
721 each cell spanning its actual and predicted future cell state. Hence, cells that are transcriptionally
722 active have long arrows, whereas cells that are undergoing very low transcriptional turnover have
723 either short or no arrows. For example, in the mature neuronal cell-cluster we observed little and
724 uncoordinated RNA velocity indicating that these cells are transcriptionally stable and are
725 undergoing less changes at the RNA level, reinforcing that these cells represent terminally
726 differentiated cell types (Fig. 7A, B). Projecting the RNA velocity of individual cells states on a
727 PCA plot separated each cell cluster and captured the main neural differentiation axis (Fig.
728 S10C–F). Similarly, within the NPC cluster (purple), a subset of cells exhibited very short
729 arrows indicating very low RNA metabolism whereas another subset was found to have
730 relatively longer arrows pointing along the differentiation axis (Fig. 7A, B). Finding differential

731 transcriptional activity in this cluster highlights that this is a heterogenous population, similar to
732 what we detected using Monocle3 pseudotemporal analysis (Fig. 6E).

733 We observed differences in RNA velocity between the two differentiation trajectories as
734 well. In the neuronal differentiation trajectory, RNA velocity was higher than that in the
735 neurosecretory trajectory. However, arrows within both trajectories pointed away from the NPCs
736 indicating the direction of differentiation. Decreasing RNA velocity towards the far end of the
737 neurosecretory trajectory led us to speculate that these cells have a stable transcriptome and may
738 represent terminally differentiated neurosecretory cells. We identified the root of the
739 differentiation process in the NPC cluster similar to our observations from pseudotime analysis
740 and trajectory prediction using Monocle3. We also identified two cells that lie close to each other
741 in t-SNE space and point along the direction of each differentiation trajectory, possibly
742 representing neural and neurosecretory progenitors, respectively (Fig. 7A, red circle). The paths
743 predicted by velocityto largely agree with the trajectories predicted by Monocle, which supports
744 two independent differentiation trajectories for neurons and neurosecretory cells. The continuity
745 of cells in t-SNE space obtained using our RNA velocity analysis (Fig. 7A, B) coupled with
746 pseudotime analysis (Fig. 6C–E) and gene expression across cell types (Fig. 5B, C) highlights
747 the continuous nature of *C. teleta* neurogenesis, making rigid classification of neural cell types
748 along the differentiation trajectory difficult.

749

750 **Discussion**

751 We present here one of the first scRNAseq studies on a spiralian annelid using the 10X
752 genomics platform. Our experimental design and analysis revealed that 10X genomics may not
753 be the optimal platform for sequencing dissociated cells from spiralian larvae due to their smaller

754 cell size as compared to most well-studied vertebrate taxa. Due to the automated droplet-
755 generation and cell-capture procedures as part of the 10X workflow, we suspect that our cells
756 may not have been captured efficiently and that resulted in low RNA recovery. Therefore, future
757 scRNAseq approaches in spiralian taxa need to be designed using manual capture of cells more
758 along the lines of SmartSeq approaches that have the potential to generate high-quality libraries
759 from low RNA input samples (Satija et al., 2015; Farrell et al., 2018). However, SmartSeq
760 approaches are less cost-effective than bulk droplet-capture procedures like 10X genomics and
761 DropSeq (Ziegenhain et al., 2017), making future efforts at optimizing these techniques for
762 spiralian important.

763 Despite the technical challenges of using 10X genomics with cells of small sizes, our
764 study allowed us to investigate gene expression, developmental trajectories and identify
765 molecular domains in larvae at two different stages for the annelid *Capitella teleta*. Using this
766 approach, we demonstrate that (i) previously characterized marker genes in *C. teleta* can be used
767 to annotate bioinformatically derived cell-clusters, (ii) Louvain clustering analysis can resolve
768 the entire *C. teleta* body plan into distinct molecular domains based on differential gene
769 expression, and (iii) trajectory analysis can track continuous changes in pseudotemporal gene
770 expression patterns during differentiation of certain cell types. Recent work has only examined
771 gene expression dynamics in *C. teleta* using WMISH and immunolabeling experiments, and we
772 view our study as a first step towards understanding annelid and eventually spiralian
773 development at a systems level. Furthermore, we present the differential gene expression
774 analyses and cell types in this study as hypotheses that require validation via functional and in
775 situ expression studies to test the accuracy of the *in-silico* predictions made here.

776

777 **Molecular subdivision of the *C. teleta* larval body**

778 Our data allow comparison of cell types at the single-cell level across the entire animal.
779 Our unsupervised clustering approaches classified the *C. teleta* larval whole-body into eight
780 distinct molecular domains – (i) generic precursor cells, (ii) ectodermal precursors, (iii)
781 myoblasts, (iv) ciliary-bands, (v) gut secretory cells, (vi) neural cells, (vii) neurosecretory cells,
782 and (viii) protonephridia. By comparing our findings with previous studies, we created an
783 annotated list of markers for each of the cell clusters that were previously characterized as well
784 as novel markers as highlighted in the Results section. Our multifaceted analyses revealed the
785 progressive origin of tissues and how the genes underlying the development of these tissues
786 change across the two larval stages. The first few discrete clusters to originate soon after
787 gastrulation included gut, ciliary-band and nervous system. After 24 hours of development, more
788 discrete clusters were identified including neurosecretory cells and protonephridia. Interestingly,
789 neurosecretory properties were detected as early as stage 4 (~24 hours post gastrulation), but
790 these cells clustered together with neurons. Based on previous work, neurons in *C. teleta* are first
791 detected in the developing brain at stage 4 (Meyer and Seaver, 2009; Meyer et al., 2015; Sur et
792 al., 2017). The presence of neurosecretory cells together with neurons in our stage 4 t-SNE plot
793 indicates a considerable neuronal diversity at the initial stages of *C. teleta* development. Such
794 early appearance of diverse neurons may enable *C. teleta* larvae to respond to environmental
795 stimuli. Furthermore, from our pseudotemporal analysis on the neural and neurosecretory
796 subclusters, we inferred progressive changes in gene expression during the progression of NPCs
797 to neurons. Our data suggest a cascade in which early cell-cycle markers are rapidly
798 downregulated followed by an upregulation of neural differentiation markers such as *Ct-neuroD*
799 and subsequently by orthologs of genes involved in neuronal migration and terminal

800 differentiation genes that function in mature neurons. Using a marker-independent approach,
801 velocity, we also computed RNA velocity within the neural cell clusters and recovered similar
802 differentiation trajectories and transcriptional dynamics that we deduced using Monocle,
803 showing the robustness of our approaches.

804

805 **Evolutionary comparisons of the *C. teleta* cell types with other annelids**

806 Our *C. teleta* single-cell analysis presented here enables a systematic comparison of cell
807 types across species. We found that cells at stages 4 and 5 in *C. teleta* expressed many genes
808 shared with homologs in *P. dumerilii* larvae around a similar developmental stage (Kaia Achim
809 2017). For example, gut primordial cells of endodermal origin expressing *hnf4a* and *collagen*
810 *alpha 3*, ciliary-bands expressing *rsph3*, *tekt4a*, *tekt1a*, and *ift80*, and myoblasts expressing
811 *myosin* were found to be similar to that in *P. dumerilii* (Kaia Achim 2017). We observed
812 consistent expression of *tektin* homologs in the ciliary band cluster across the two stages in *C.*
813 *teleta*, and these homologs were previously reported in ciliary bands of *P. dumerilii* and another
814 annelid *Hydroides elegans* (Arenas-Mena et al., 2007; Kaia Achim, 2017). Recent reports show
815 the expression of *tektin* homologs in the *P. dumerilii* prototroch, ciliated apical organ, telotroch
816 and two pairs of paratrochs, and axonemal dyenin homologs in all ciliary structures of the
817 mollusk *Tritia obsoleta* (Wu et al., 2020b), similar to our findings in *C. teleta*. This suggests that
818 a role of *tektin* homologs in the ciliary bands of annelid larval trocophores may have been a
819 conserved feature. A recent report by Wu et al., 2020b uncovered two spiralian-specific genes
820 expressed in the ciliary bands of most spiralians called *lophotrochin* and *trochin*. These genes
821 along with the markers identified in our study provide a valuable resource in further
822 characterization of the origin of ciliary bands within Spiralia.

823 Some of gut cells described here express *Ct-blimp1* and represent endodermal midgut
824 precursors (Boyle et al., 2014). In both *C. teleta* and *P. dumerilii*, the large, yolky midgut cells
825 originate from the vegetal macromeres (Ackermann et al., 2005; Meyer et al., 2010). We only
826 noticed shared expression of *hnf4a* between both annelids but not expression of any of the other
827 *P.dumerilii* “gut” markers in our dataset (Kaia Achim, 2017). We think it is likely that we may
828 have size-excluded a majority of large, yolky midgut cells at stages 4 and 5 that were larger than
829 40 µm in size prior to cell-capture (see Materials and methods). Whether the genetic
830 developmental program is conserved between the two annelids needs more investigation.

831 Within the neural and neurosecretory cell types, we also identified markers that were
832 previously detected in the scRNAseq dataset for *P. dumerilii* larvae (Kaia Achim 2017).
833 Subclustering these cell types allowed us to detect coherent sets of effector genes and
834 transcription factors expressed at different pseudotimes, representing distinct cellular modules,
835 e.g. NPCs, intermediate differentiation bridge, differentiating neurosecretory cells, and mature
836 neurons and neuroendocrine cells. In addition, we also observed considerable differences in gene
837 expression even within individual neural subgroups highlighting distinct but related cell types.
838 For example, within the NPC cluster, we observed two different gene modules that were
839 expressed at different pseudotimes and had differential transcriptional activity, indicating a
840 heterogenous population of NPCs. From our subclustering analysis of neural cells, we identified
841 putative *phc2*⁺ neurosecretory cells in *C. teleta*, which may be homologous to *phc2*⁺
842 neurosecretory centers in *P. dumerilii* and other spiralian (Tessmar-Raible et al., 2007; Kaia
843 Achim, 2017). *Phc2*⁺ neuroendocrine centers were also detected apically in the developing larval
844 brain of *P. dumerilii* are were found to express other vertebrate-type neuropeptides such as the
845 Vasotocin/neurophysin prohormone (Kaia Achim, 2017). Vasotocin/neurophysin homologs

846 have been found in many spiralian including annelids (Oumi et al., 1994; Tessmar-Raible et al.,
847 2007), gastropods (van Kesteren et al., 1992), and cephalopods (Takuwa-Kuroda et al., 2003).
848 However, we could not detect a vasotocin/neurophysin homolog in *C. teleta* from our scRNAseq
849 analysis although we only detected one or two conopressin/neurophysin-expressing cells at
850 stages 4 and 5. Therefore, presence of larval neuroendocrine centers regulating
851 neurohypophyseal hormonal activity seems to be a conserved feature among spiralian that has
852 been lost in *D. melanogaster* and *C. elegans* (Tessmar-Raible et al. 2007).

853 Altogether, our *C. teleta* scRNAseq study suggest that comparative studies of neural cell
854 types across animal evolution using high-throughput scRNAseq is a promising direction for evo-
855 devo research and needs to be expanded to more taxa. As exemplified here, whole-organism
856 scRNAseq across many taxa can provide comprehensive insights into metazoan cell type
857 evolution and tissue-specific genome-wide regulatory networks.

858

859

860 **Conflict of Interest**

861 The authors declare that the research was conducted in the absence of any commercial or
862 financial relationships that could be construed as a potential conflict of interest.

863

864 **Author Contributions**

865 Conceptualization: A.S., N.P.M.; Methodology: A.S., N.P.M.; Software: A.S.; Formal analysis:
866 A.S.; Investigation: A.S.; Writing - original draft: A.S., N.P.M.; Writing - review & editing:
867 A.S., N.P.M.; Supervision: N.P.M; Funding acquisition: A.S., N.P.M.

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1114 **Figure legends**

1115 **Figure 1: Single-cell transcriptomics of stage 4 and 5 *C. teleta* larvae.** Whole-body stage 4
1116 and 5 (1) larvae were dissociated into single cells using a combination of mechanical and
1117 enzymatic dissociation (2). Individual cells were randomly selected for droplet generation using
1118 the 10X Genomics Chromium Platform (3). Single-cell transcriptomes were pooled and
1119 sequenced using NextSeq500 High-output method (4) generating 573 million reads across the
1120 two samples. Sequences obtained were curated and aligned to the *C. teleta* genome v1.0
1121 followed by application of downstream computational pipelines for clustering, trajectory
1122 analysis, pseudotime analysis and estimating RNA dynamics (5). Scale bar – 10 μ m.

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1124 **Figure 2: Mapping of *C. teleta* larval tissues from aggregated stage 4 and 5 datasets.** (A)
1125 UMAP representation of the aggregated data (stages 4 and 5), where the clustering of cells
1126 depicts their transcriptional similarity. (B) Heatmap of the top 10 genes significantly enriched in
1127 each cluster. Representative gene names obtained from closest reciprocal BLAST hits are shown
1128 close to each row. The full gene-list is in Tables S2. (C) UMAP plots showing log-normalized
1129 counts of select representative genes from each cluster. Color intensity is proportional to the
1130 expression level (purple: high; grey: low). (D) Dotplot of representative genes involved in *C.*
1131 *teleta* neurogenesis. (E) Dotplot showing novel markers implicated in *C. teleta* myogenesis. (F)
1132 Dotplot showing orthologs of neurotransmitter and neuropeptide/neurohormone receptors across
1133 clusters.

1134

1135 **Figure 3: Single-cell molecular landscape of stage 4 *C. teleta* larvae.** (A) t-SNE representation
1136 of stage 4 larval single cells with clusters labeled by molecular identities. (B) Cell type specific

1137 marker genes reflect cellular identities and functions. Heatmap showing log-normalized
1138 differentially expressed genes per molecular domain identified. Each row represents a single
1139 gene whereas each column represents a cell. (C) Analysis with PlotClusterTree in Seurat to
1140 reveal transcriptomic similarities between clusters. (D) t-SNE plots of cells colored by
1141 expression of selected marker genes that were used for identifying each molecular domain. The
1142 color key indicates expression levels (purple: high; grey: low). (E) Violin plots summarizing the
1143 expression levels of select representative genes per cluster. Data points depicted in each cluster
1144 represent single cells expressing each gene shown. (F) Dotplot of representative genes involved
1145 in *C. teleta* neurogenesis at stage 4. (G) Dotplot showing cell proliferation (S-phase and G2/M-
1146 phase) markers in the stage 4 clusters. cb: ciliary-band.

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1148 **Figure 4: Single-cell molecular landscape of stage 5 *C. teleta* larvae.** (A) t-SNE representation
1149 of stage 5 larval single cells with clusters labeled by transcriptional identities. (B) Cell type
1150 specific marker genes reflect cellular identities and functions. Heatmap showing log normalized
1151 differentially expressed genes per molecular domain identified. Each row represents a single
1152 gene whereas each column represents a cell. (C) t-SNE plots of cells colored by expression of
1153 selected marker genes that were used for identifying each cluster. The color key indicates
1154 expression levels (purple: high; grey: low). ns, neurosecretory; pn, protonephridia.

1155

1156 **Figure 5: Neural cell type diversity in stage 5 larvae.** (A) t-SNE representation of single cells
1157 obtained from the neural + neurosecretory cell clusters generated from unsupervised clustering of
1158 the stage 5 dataset, labeled and colored based on cluster identity (B) Dotplot showing
1159 differentially expressed genes per neural cell type identified. Each row represents a single gene

1160 regulating individual aspects of neurogenesis whereas each column represents one of the four
1161 neural cell types. The expression is log normalized per gene. (C) t-SNE plots colored by
1162 expression of selected marker genes that were used for identifying each cell type. The color key
1163 indicates expression levels (purple: high; grey: low). Blue arrow highlights expression of *Ct-*
1164 *ash1* in the NPC cluster. db, differentiation bridge; ns, neurosecretory.

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1166 **Figure 6: Lineage relationships between neural cell types and pseudotime analysis.** (A)

1167 UMAP representation of single-cells from the neural + neurosecretory cell-cluster generated in
1168 the stage 5 unsupervised clustering. (B) Trajectory analysis using Monocle3 predicts a neural
1169 differentiation trajectory that begins with NPCs and ends with the mature neuronal and
1170 neuroendocrine cell cluster. The root of the trajectory lies within the NPC cell-cluster. (C)
1171 Monocle3 pseudo-temporal ordering of neural cells superimposed on the Seurat UMAP plot.
1172 Cells are colored based on their progression along pseudo-temporal space from pseudotime 0 in
1173 violet to the end of differentiation in yellow. (D) Monocle analysis predicts progressive
1174 expression dynamics of *mcm7* homolog, *Ct-ngn*, *Ct-soxB1*, *Ct-neuroD*, *secretogranin-V*, and *Ct-*
1175 *syt1*. (E) Heatmaps showing most significant TFs and effector genes clustered by
1176 pseudotemporal expression pattern (q values < 0.01). Pseudo-temporal ordering is from left
1177 (NPCs) to right (differentiated neurons). Selected transcription factors are shown for each
1178 cellular state along the differentiation trajectory.

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1180 **Figure 7: RNA velocity plotted in t-SNE space for neural cell types.** (A) Velocity force field

1181 showing the average differentiation trajectories (velocity) for cells located in different parts of
1182 the tSNE plot. For each cell, arrows indicate the location of the future cell state. RNA dynamics

1183 vary between NPCs, the two differentiation trajectories and mature neurons and also within each
1184 cell type. Velocity estimates based on nearest cell pooling ($k=5$) were used. Red circle shows
1185 two cells with velocity fields pointing along the two differentiation trajectories possibly
1186 representing a progenitor population for neural and neurosecretory cells respectively. (B) Same
1187 velocity field as A, visualized using Gaussian smoothing on a regular grid.

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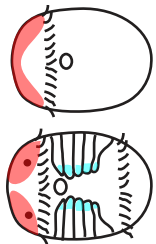
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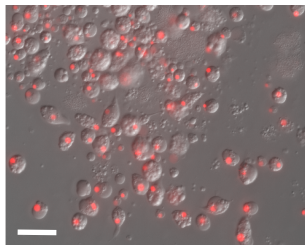
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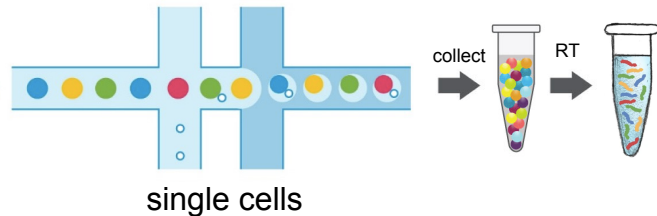
1. Collecting stages



2. Dissociation to single-cells and debris removal

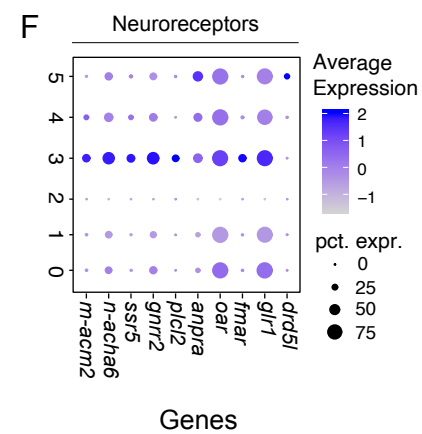
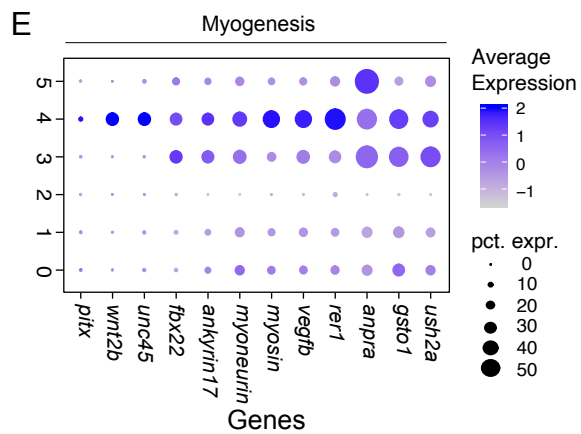
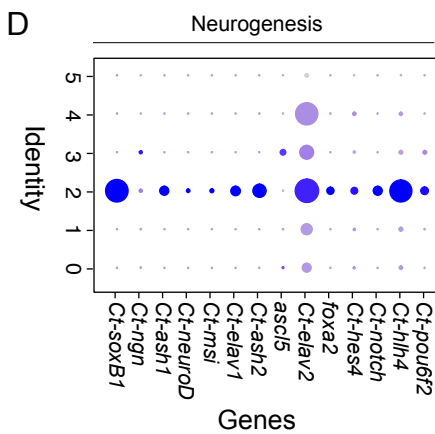
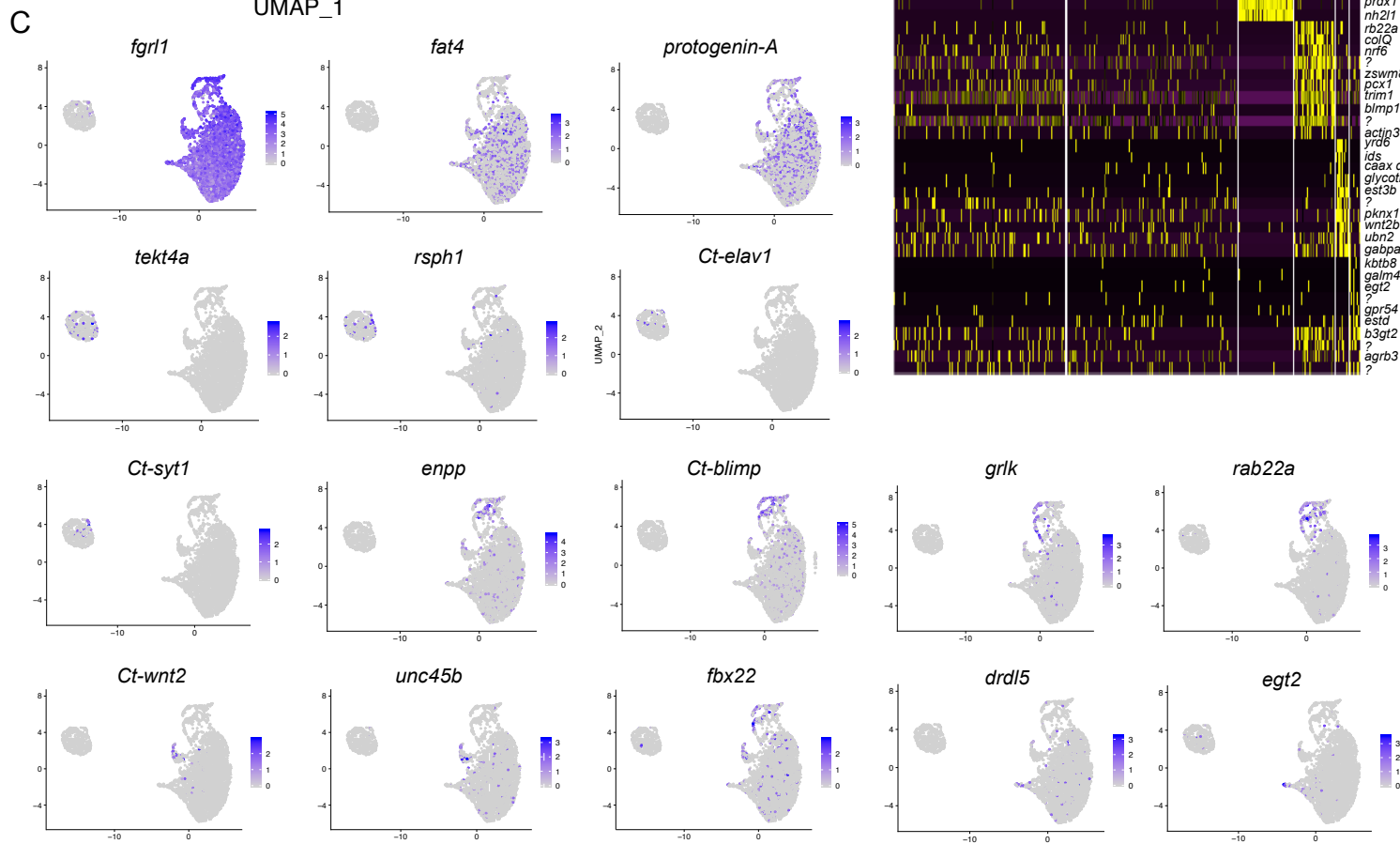
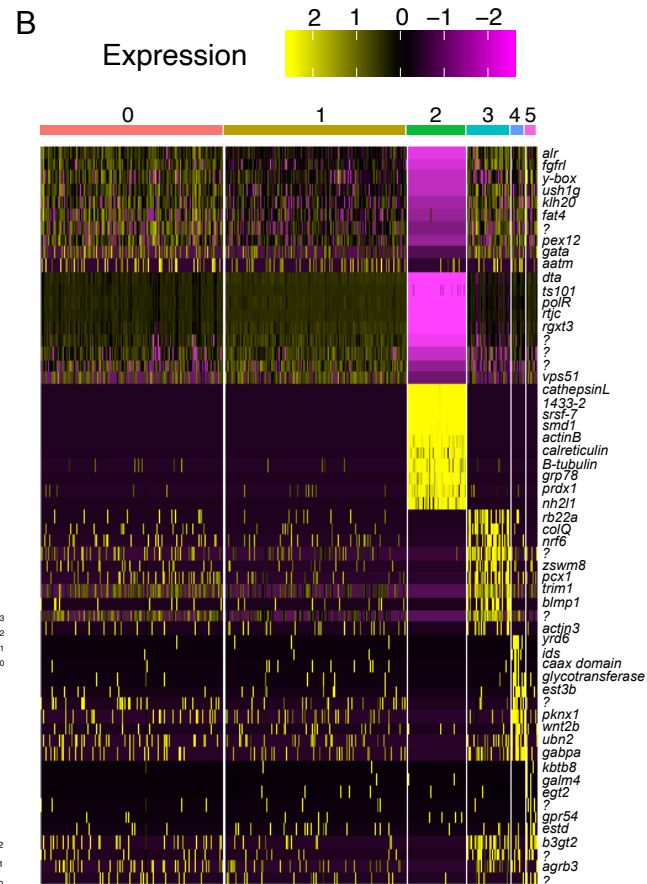
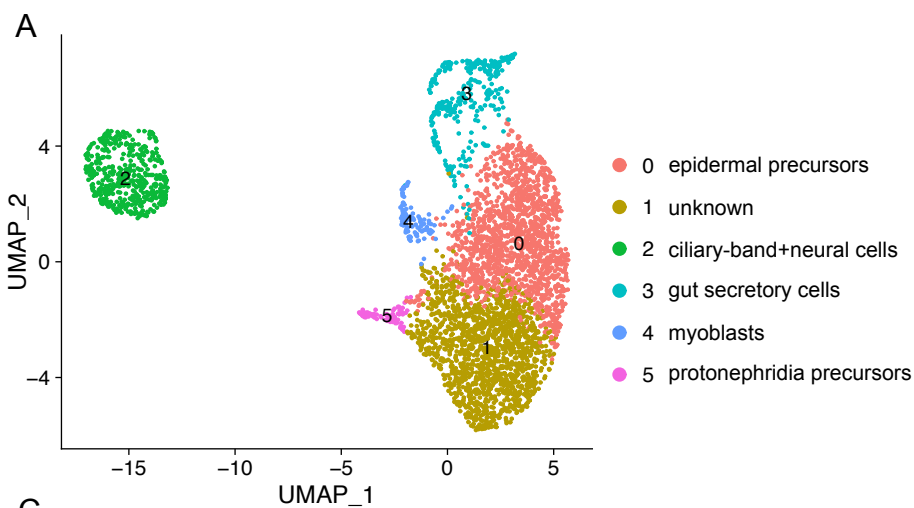


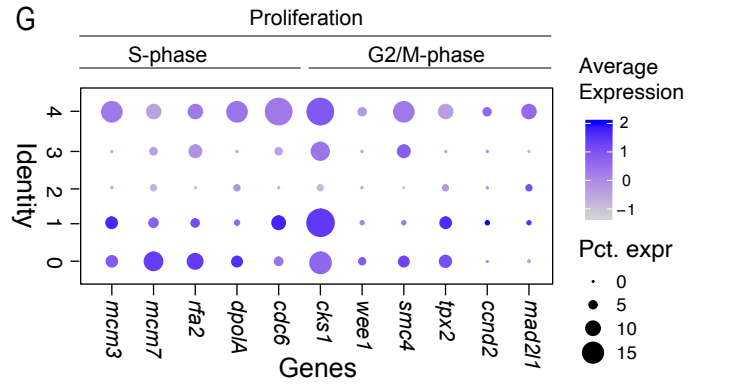
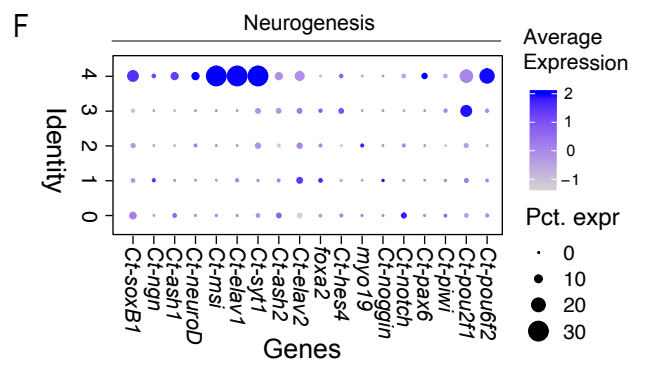
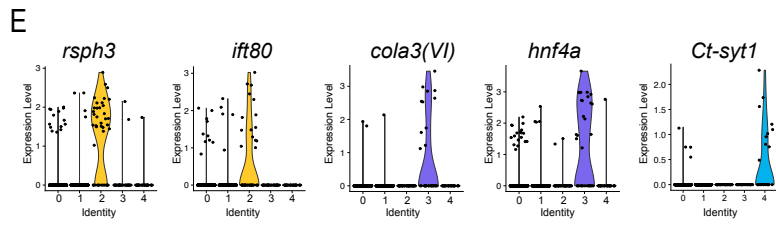
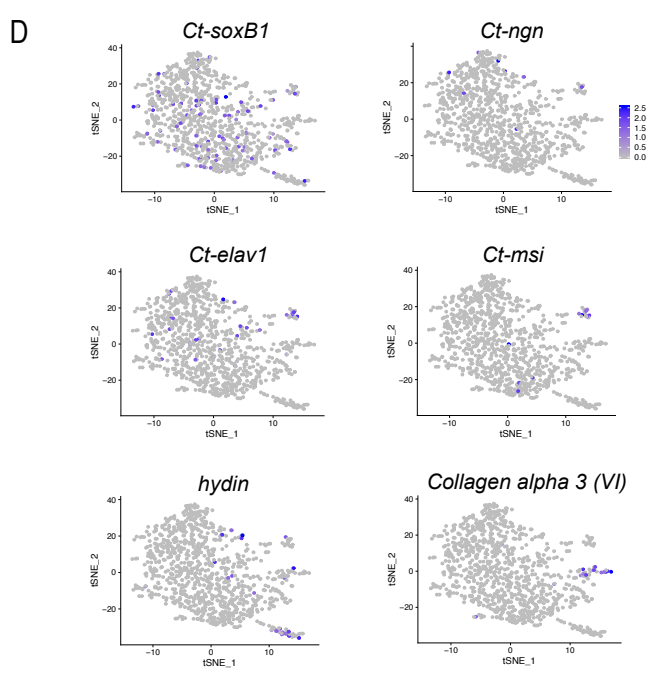
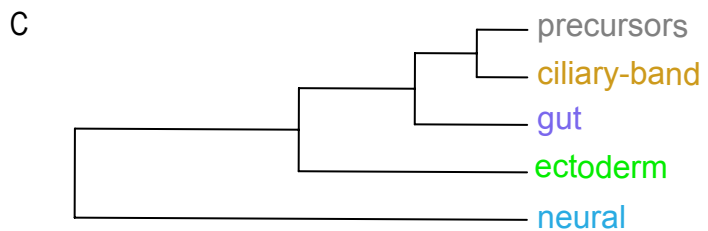
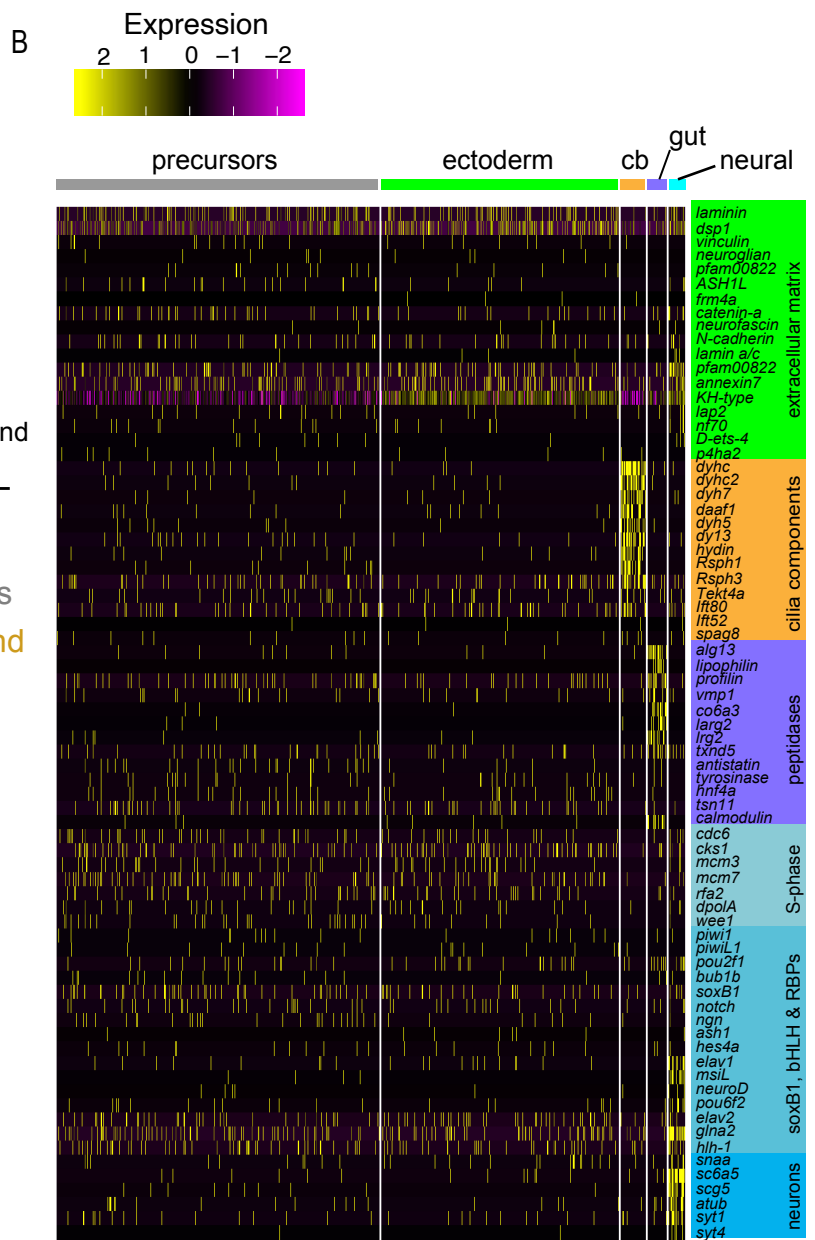
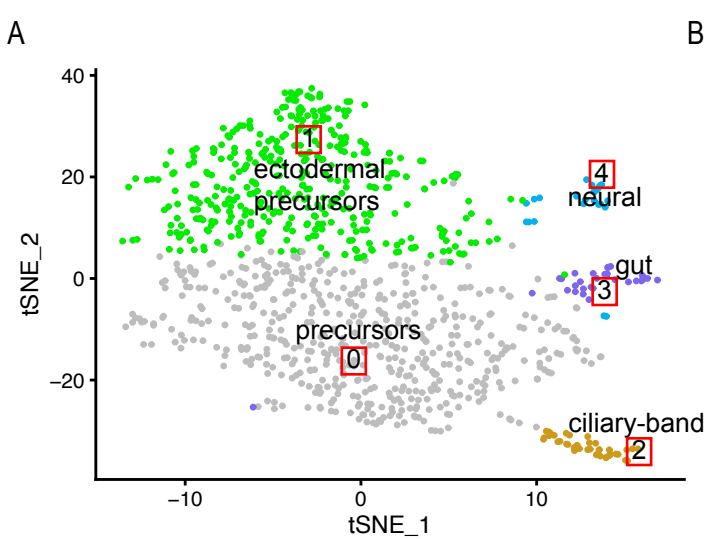
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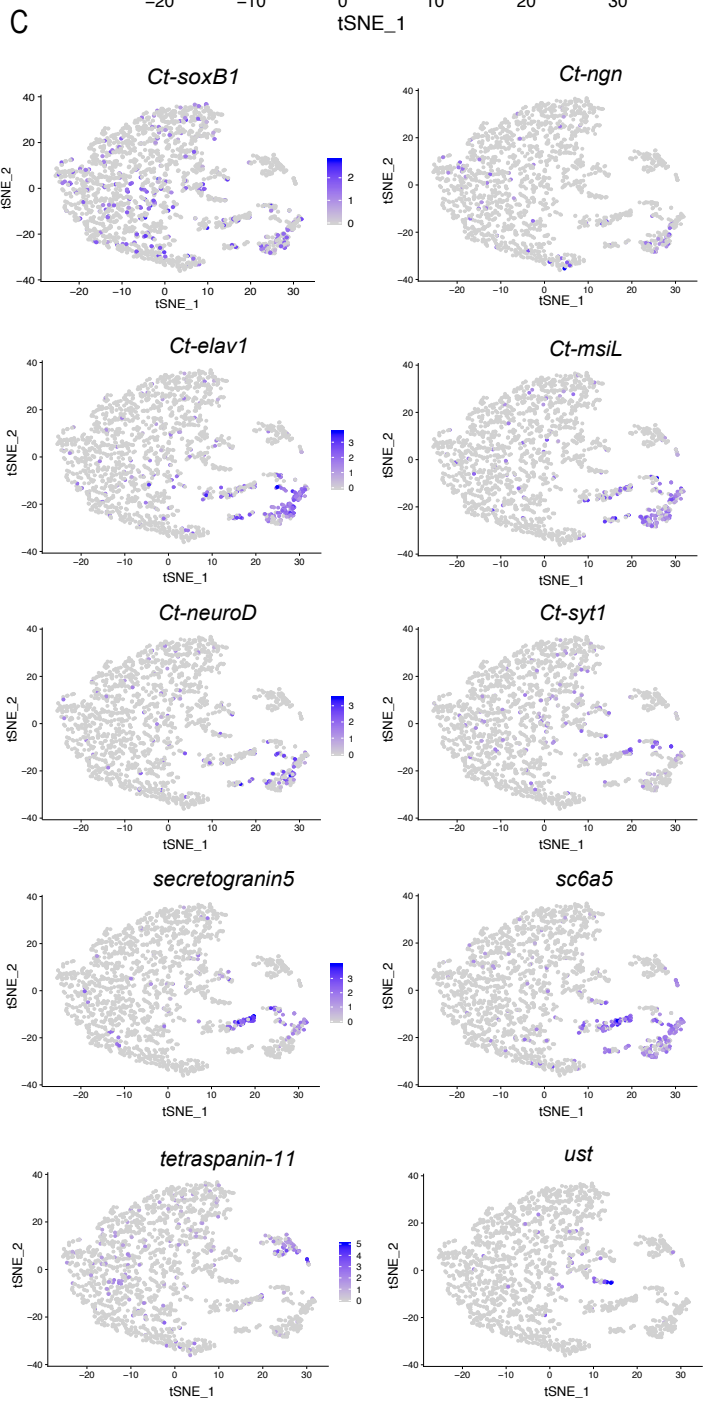
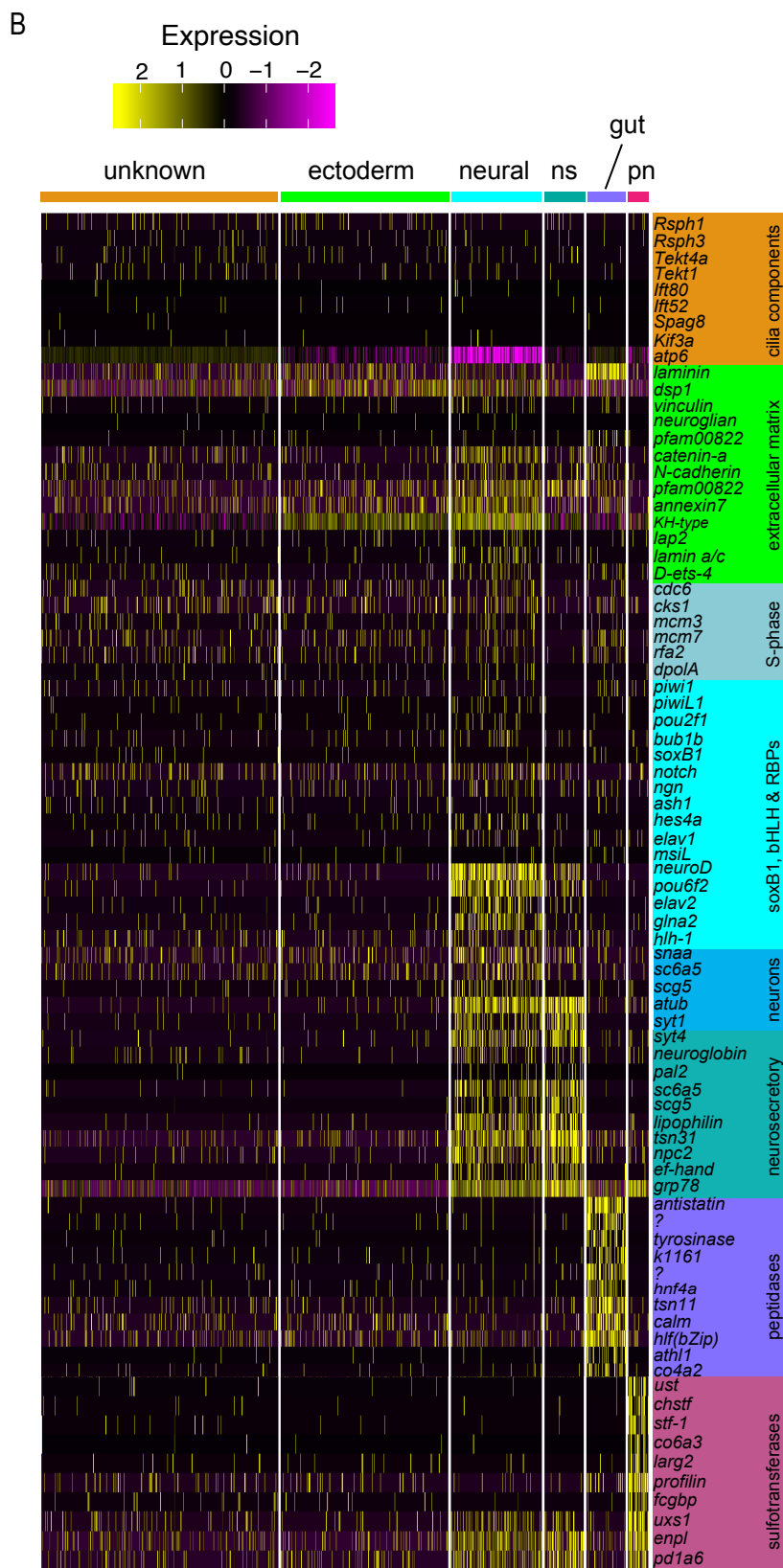
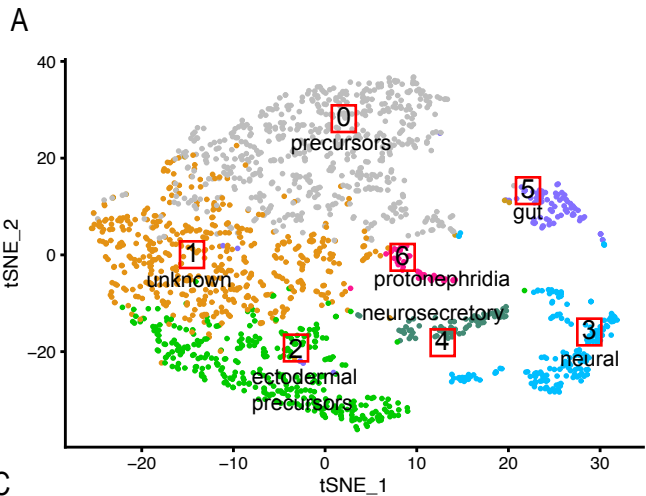


5. Computational analysis

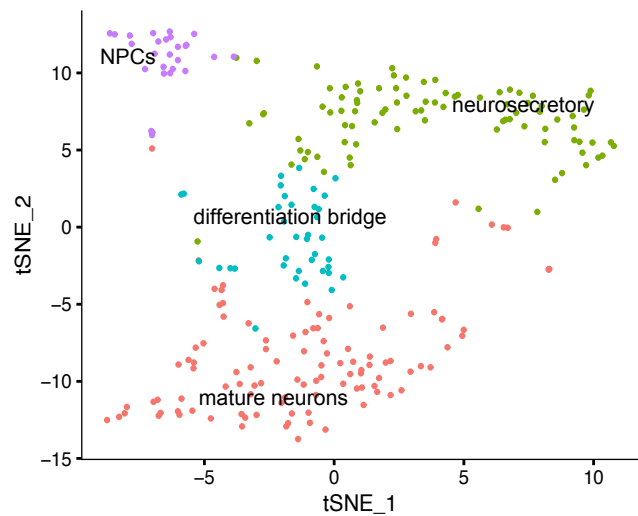
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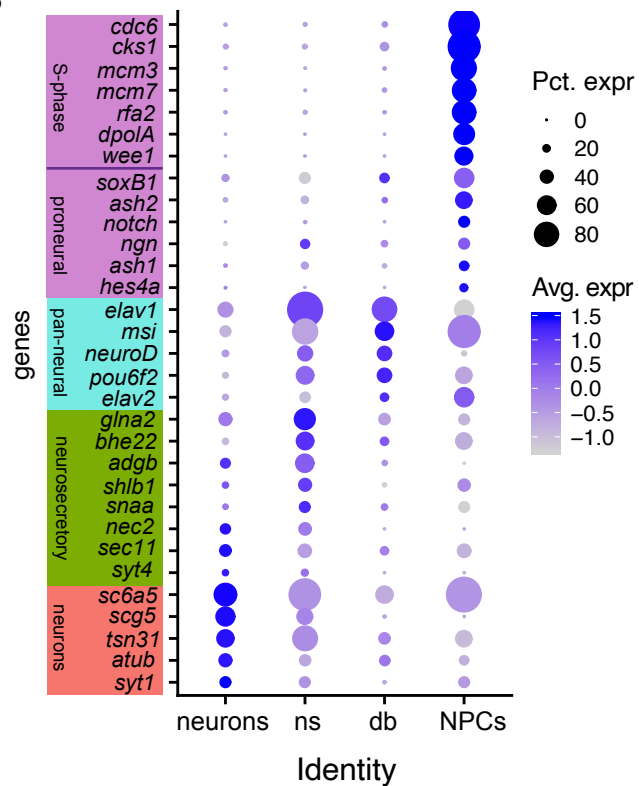




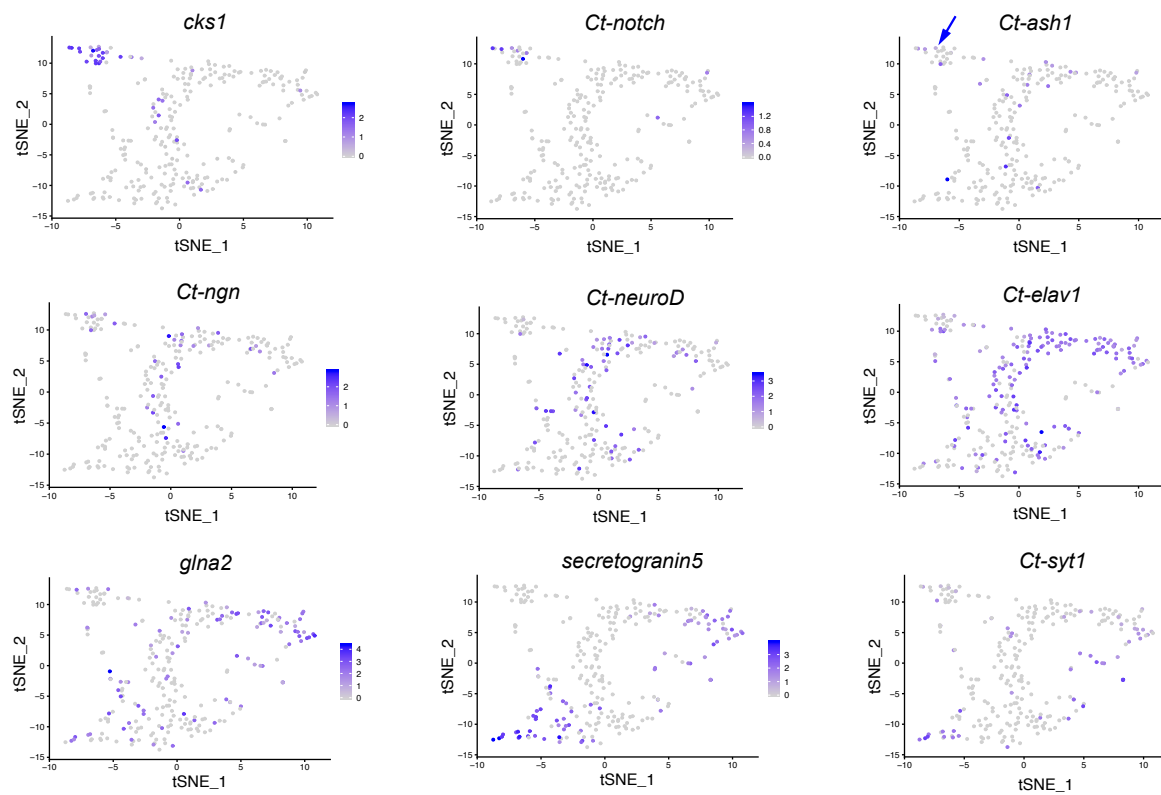
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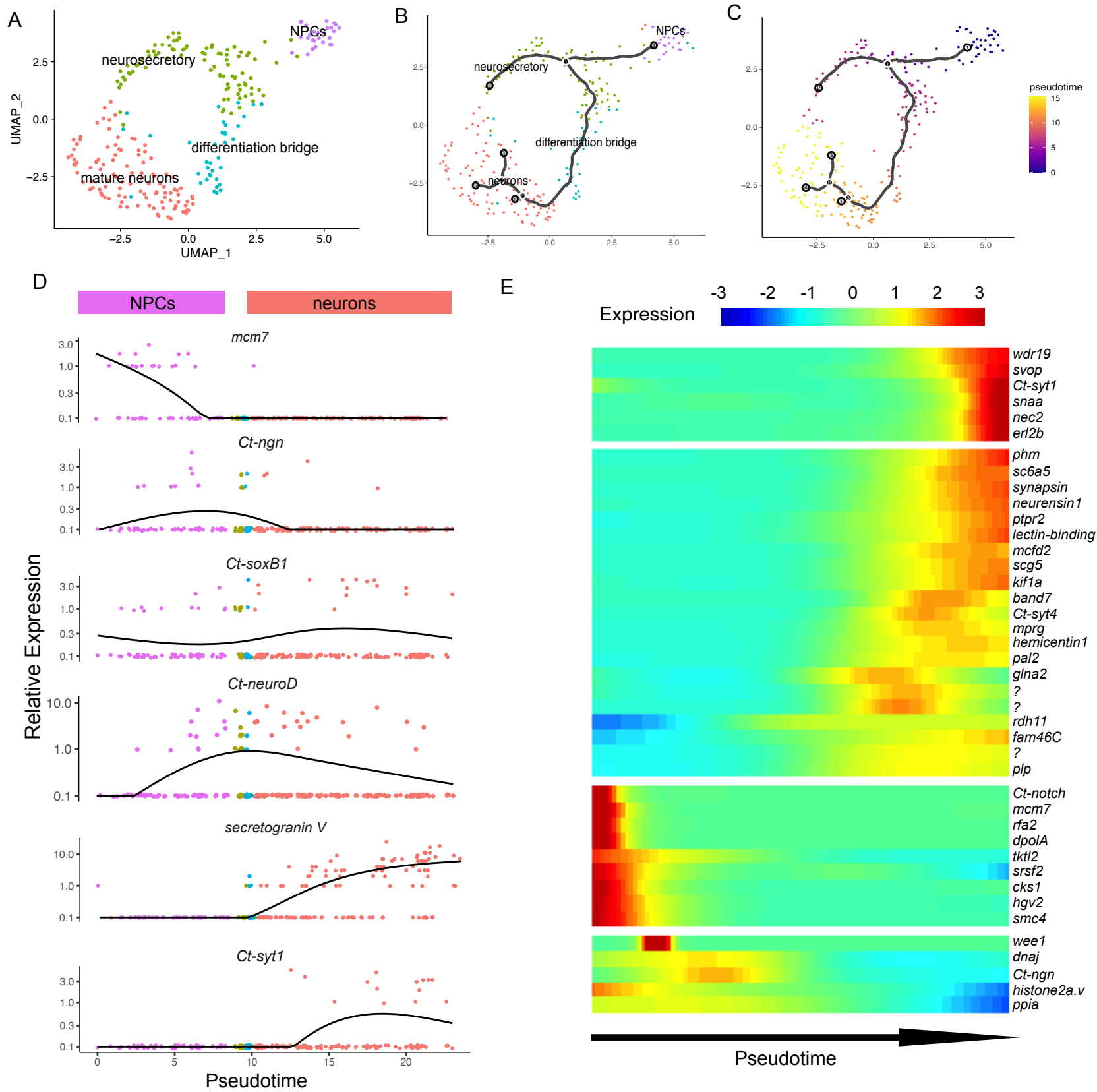


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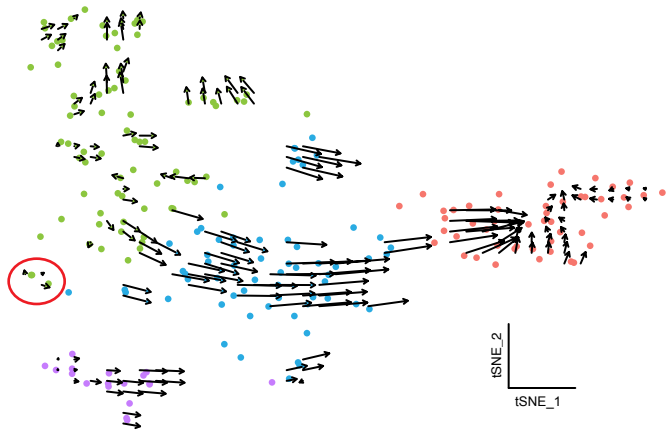


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