

Two distinct trophoderm lineage stem cells from human pluripotent stem cells

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1 **Summary**

2 Trophoblasts are the principal cell type of the placenta. The use of human trophoblast stem cells
3 (hTSCs) as a model for studies of early placental development is hampered by limited genetic
4 diversity of existing hTSC lines, and constraints on using human fetal tissue or embryos needed
5 to generate additional cell lines. Here we report the derivation of two distinct stem cells of the
6 trophectoderm lineage from human pluripotent stem cells. The first is a CDX2- stem cell equiva-
7 lent to primary hTSCs – they both exhibit identical expression of key markers, are maintained in
8 culture and differentiate under similar conditions, and share high transcriptome similarity. The
9 second is a CDX2+ putative human trophectoderm stem cell (hTESC) with distinct cell culture
10 requirements and differences in gene expression and differentiation relative to hTSCs. Derivation
11 of hTSCs and hTESCs from pluripotent stem cells significantly enables construction of models for
12 normal and pathological placental development.

Keywords

trophoblast stem cells, pluripotent stem cells, placenta, extravillous trophoblast, syncytiotropho-
blast, embryonic stem cells, trophectoderm, trophectoderm stem cell, trophectodermal stem cell

13 Introduction

14 Specification of the trophectoderm and the inner cell mass (ICM) is the first differentiation
15 event during human embryonic development. The trophectoderm mediates blastocyst implanta-
16 tion in the uterus and is the precursor to all trophoblast cells in the placenta. Upon embryo im-
17 plantation, the trophectoderm forms the cytotrophoblast (CTB), a putative stem cell that can dif-
18 ferentiate to form the two major cell types in the placenta – the extravillous trophoblast (EVT) and
19 the syncytiotrophoblast (STB) (Benirschke et al., 2012; Bischof and Irminger-Finger, 2005). The
20 EVTs are involved in remodeling of uterine arteries, which is critical to ensure adequate perfusion
21 of the placenta with maternal blood, whereas the multinucleated STB mediates the nutrient and
22 gas exchange at the maternal-fetal interface (Moser et al., 2011; Yabe et al., 2016). Abnormalities
23 in trophoblast development are associated with pregnancy-related pathologies such as miscar-
24 riage, preeclampsia and placenta accreta. Yet, despite its relevance to maternal and fetal health,
25 constraints on research with human embryos and early fetal tissue impede mechanistic insight
26 into early trophoblast development.

27 Trophoblast stem cells derived from first trimester human placental samples and blasto-
28 cyst-stage embryos have emerged as an attractive in vitro model system for early human troph-
29 oblast (Okae et al., 2018). However, restricted accessibility of embryos and placental samples
30 from early gestation and low genetic diversity of existing cell lines limit the use of this model. In
31 contrast, pluripotent stem cells are a more accessible source for generation of in vitro models of
32 human trophoblast. More importantly, unlike early gestation primary samples where the projected
33 pregnancy outcome is uncertain, human induced pluripotent stem cells (hiPSCs) can potentially
34 provide models of validated normal and pathological trophoblast development (Sheridan et al.,
35 2019). However, whether *bona fide* trophoblast can be obtained from pluripotent stem cells has
36 been a subject of intense debate (Roberts et al., 2014). A rigorous head-to-head comparison
37 between trophoblast derived from pluripotent stem cells and their in vivo counterparts has proven

38 difficult due to multiple reasons. Previous studies have used varying experimental protocols
39 (Roberts et al., 2018), a self-renewing trophoblast stem cell population has not been derived from
40 human pluripotent stem cells, and both primary placental samples and cultures of terminally dif-
41 ferentiated trophoblast obtained from pluripotent stem cells exhibit heterogeneity and contain
42 many cell types.

43 In this study, we report the derivation and maintenance of two distinct trophectoderm lin-
44 eage stem cells from human embryonic stem cells (hESCs) and hiPSCs in chemically defined
45 culture conditions. The first is a CDX2- human trophoblast stem cell (hTSC) that is comparable to
46 primary hTSCs derived from early gestation placental samples. The second is a more primitive
47 CDX2+ cell type that is a putative human trophectoderm stem cell (hTESC) (Knöfler et al., 2019).
48 Critically, the isolation of self-renewing stem cell populations allowed a direct comparison of pri-
49 mary hTSCs with pluripotent stem cell derived hTSCs; genome wide transcriptomic analysis and
50 functional differentiation assays establish their equivalence. The routine derivation of hTSCs and
51 hTESCs from pluripotent stem cells will provide powerful tools for mechanistic studies on normal
52 and pathological early trophoblast development.

53 **Results**

54 **A chemically defined medium containing S1P enables differentiation of hESCs to CTB.**

55 Media formulations in previous studies on trophoblast differentiation of hESCs included
56 components such as knockout serum replacement (KSR) or bovine serum albumin (BSA) that act
57 as carriers for lipids. Pertinently, albumin-associated lipids have been implicated in activation of
58 G-protein coupled receptor (GPCR)-mediated signaling (Mendelson et al., 2014; Yu et al., 2012).
59 For instance, the phospholipid sphingosine-1 phosphate (S1P) present in KSR can activate YAP
60 signaling; YAP plays a critical role in specification of the trophectoderm in mouse (Knott and Paul,
61 2014; Nishioka et al., 2008; Yagi et al., 2007). We investigated the use of S1P in the context of

62 trophoblast differentiation of hESCs under chemically defined culture conditions, by modifying our
63 previous protocol that utilized KSR (Sarkar et al., 2015, 2016). H1 and H9 hESCs cultured in E8
64 medium were differentiated for 6 days in E7 medium (E8 without TGF β 1) supplemented with S1P,
65 by treatment with BMP4 and the activin/nodal inhibitor SB431542 (**Figure 1A**). Under these con-
66 ditions, we observed upregulation of the CTB markers *CDX2* and *ELF5* (**Figure S1A, B**). Upreg-
67 ulation of *TBX4* was observed after 6 days. However, overall there were no significant changes
68 in markers associated with neural or mesodermal differentiation after 6 days suggesting that dif-
69 ferentiation to these lineages did not occur (**Figure S1A, B**). Immunofluorescence analysis at day
70 6 confirmed expression of the pan-trophoblast marker KRT7, and CTB markers P63 and GATA3
71 (**Figure 1B; Figure S1C**).

72 The putative CTB cells obtained at day 6 were investigated for their ability to differentiate
73 to EVT_s and STB, using protocols similar to those previously employed (Sarkar et al., 2015). Cells
74 underwent an epithelial to mesenchymal transition over a 6-day period when passaged into E8
75 medium supplemented with epidermal growth factor (EGF) and SB431542. Immunofluorescence
76 analysis showed expression of KRT7 and the EVT markers VE-Cadherin and HLA-G (**Figure 1C,**
77 **S1D**). Alternatively, passaging CTB-like cells in E6 medium (E8 without TGF β 1 and bFGF) sup-
78 plemented with activin and EGF resulted in formation of KRT7⁺ multinucleate cells expressing
79 the STB markers hCG and syncytin over an 8-day period (**Figure 1D, S1E**). Removal of S1P
80 from the medium during hESC differentiation to CTB-like cells abolished formation of EVT_s that
81 express HLA-G and VE-Cadherin (**Figure 1E, S2A**) under identical differentiation conditions (**Fig-**
82 **ure 1A**). Differentiation to STB also did not occur in the absence of S1P, as evidenced by lack of
83 expression of syncytin and KRT7 (**Figure 1F, S2B**). Also, downregulation of the CTB marker
84 *CDX2* and upregulation of transcripts of neural and mesoderm markers was observed in cells
85 after 6 days of differentiation, upon removal of S1P (**Figure S2C**). Taken together these results

86 show that CTB-like cells – similar to those in previous studies utilizing more complex culture con-
87 ditions (Sarkar et al., 2015) – can be obtained by differentiation of hESCs in a chemically defined
88 medium containing S1P. Further, inclusion of S1P is necessary for hESC differentiation to troph-
89 oblast in our chemically defined culture medium.

90 Rho GTPase signaling, downstream of GPCRs activated by S1P, has been implicated in
91 nuclear localization of YAP (Mo et al., 2012; Ohgushi et al., 2015). Both Rho/RhoA associated
92 kinase (ROCK) and nuclear YAP play a critical role in trophoctoderm specification in the mouse
93 (Kono et al., 2014; Nishioka et al., 2009). Therefore, we investigated the role of Rho/ROCK sig-
94 naling and YAP in trophoblast differentiation of hESCs. The Rho/ROCK inhibitor Y-27632 was
95 included during differentiation of hESCs to CTB-like cells and subsequent differentiation to EVT
96 and STB to investigate the role of Rho/ROCK signaling. Under these conditions, HLA-G expres-
97 sion was observed in cells obtained from H9 hESCs; however, VE-Cadherin expression was weak
98 and observed in only a few cells (**Figure S2D**). On the other hand, expression of EVT markers
99 was not observed in cells derived from H1 hESCs. Additionally, presence of ROCK inhibition
100 abolished STB formation, as shown by lack of expression of syncytin and KRT7 (**Figure S2E**).

101 To investigate the role of YAP signaling in trophoblast differentiation of hESCs, we used
102 an hESC cell line (H9) that expresses an inducible shRNA against YAP (H9-YAP-ishRNA) or a
103 scrambled shRNA control (Hsiao et al., 2016). YAP knockdown abolished differentiation to EVT
104 and STB, as evidenced by lack of expression of the relevant markers. Notably, high cell death
105 was observed (**Figure S2D, E**). Gene expression analysis revealed significant reduction in *ELF5*
106 upon YAP knockdown, relative to the scrambled shRNA control (**Figure S2F**). Significant down-
107 regulation of the mesodermal genes *TBX4* and *LMO2* was observed, whereas *T* was upregulated,
108 in H9-YAP-ishRNA, relative to the scrambled control. Taken together, these results show that
109 Rho/ROCK signaling, and YAP are necessary for differentiation of hESCs to functional CTB that
110 can give rise to both EVTs and STB, in our chemically defined culture medium.

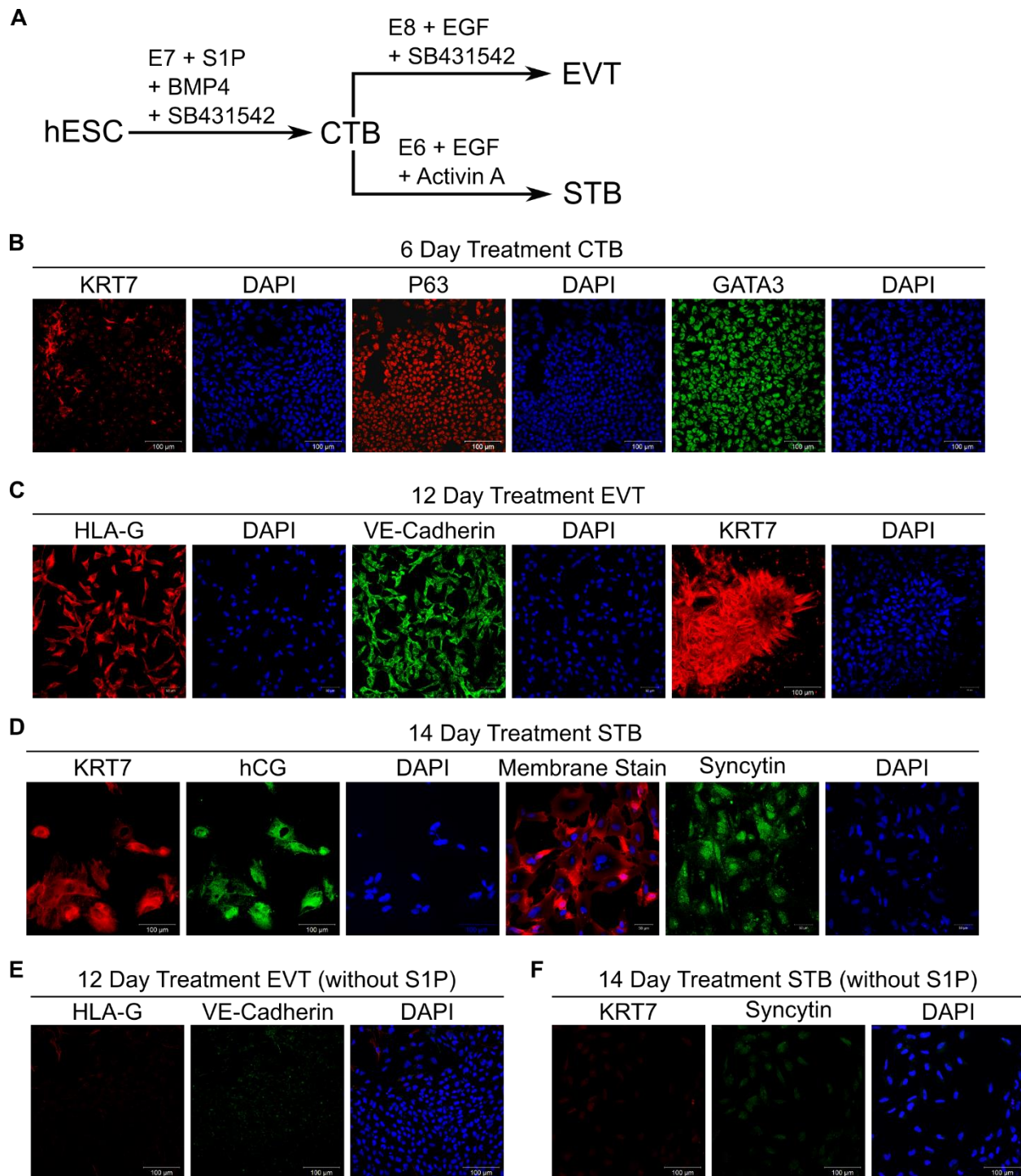


Figure 1: A chemically defined medium containing S1P enables differentiation of hESCs to CTB.

(A) Schematic of protocol for hESC differentiation to trophoblast.

(B) Immunostaining of KRT7, P63 and GATA3 in H9 hESCs at day 6 of initial treatment. Nuclei were stained with DAPI.

(C) Confocal images of EVT from 12-day treatment of H9 hESCs, staining for KRT7, HLA-G and VE-Cadherin. Nuclei were stained with DAPI.

(D) Confocal images of STB from 14-day treatment of H9 hESCs, staining for KRT7, syncytin and hCG. Nuclei were stained with DAPI.

(E) Confocal images of cells from 12-day EVT treatment of H9 hESCs upon removal of S1P, staining for HLA-G and VE-Cadherin. Nuclei were stained with DAPI.

(F) Confocal images of cells from 14-day STB treatment of H9 hESCs upon removal of S1P staining for KRT7 and syncytin. Nuclei were stained with DAPI.

Scale bars are 100µm for all images.

111 **S1P mediates its effects on trophoblast differentiation of hESCs through its receptors.**

112 S1P acts through both receptor-mediated and receptor-independent pathways (Maceyka
113 et al., 2012; Mendelson et al., 2014). To investigate the specific mechanism of S1P action during
114 hESC differentiation to trophoblast, we replaced S1P with D-erythro-dihydrospingosine-1-phos-
115 phate (dhS1P) in our protocol. dhS1P acts as an agonist for the S1P receptors (S1PRs) but does
116 not mediate an intracellular effect (Van Brocklyn et al., 1998). Replacing S1P with dhS1P yielded
117 similar results – CTB-like cells showed high expression levels of CDX2, GATA3, P63, and TEAD4
118 (**Figure 2A; Figure S3A**). Upon further differentiation as previously described (**Figure 1A**), STB
119 expressing KRT7 and hCG, and EVT expressing HLA-G and VE-Cadherin were obtained (**Figure**
120 **2B, C; Figure S3B, C**).

121 S1P acts extracellularly through S1PR1-5 (Maceyka et al., 2012; Mendelson et al., 2014),
122 however trophoblasts have been shown to only express S1PR1-3 (Johnstone et al., 2005). To
123 identify specific S1PRs involved in trophoblast differentiation of hESCs in our culture system, we
124 used selective chemical agonists for S1PR1-3 – CYM5442 hydrochloride, CYM5520 and

125 CYM5541, respectively – to replace S1P in differentiation protocols previously discussed. Expres-
126 sion of CDX2, GATA3, P63, and TEAD4 was observed in CTB-like cells for all three agonists
127 (**Figure 2A; Figure S3A**). Similarly, use of each agonist resulted in expression of the EVT mark-
128 ers HLA-G and VE-Cadherin, and formation of multinucleate STB expressing KRT7 and hCG
129 (**Figure 2B, C; Figure S3B, C**). However, we observed some variability between the agonists.
130 The intensity of CDX2 and P63 expression was higher with S1PR1 agonist CYM5442 and the
131 S1PR3 agonist CYM5541. Nuclear P63 expression was strongest for CYM5442 compared to
132 CYM5541. Notably, use of the S1PR2 agonist CYM5520 resulted in lower expression of CDX2,
133 strong cytoplasmic expression of P63, and high heterogeneity in staining at day 6 relative to the
134 other agonists. Formation of large multinucleated STB was more pronounced when the S1PR2
135 or S1PR3 agonists were used, as compared to the S1PR1 agonist. On the other hand, the S1PR1
136 and S1PR3 agonists enhanced formation of mesenchymal EVT, relative to the S1PR2 agonist.

137 Taken together, our results show that receptor-mediated effects of exogenous S1P are
138 sufficient for trophoblast differentiation of hESCs in our culture system. Since our qualitative ob-
139 servations showed that use of the S1PR3 agonist resulted in high CDX2 expression, and both
140 multinucleate STB and mesenchymal EVT could be obtained when the S1PR3 agonist was
141 used, we chose the S1PR3 agonist for subsequent studies.

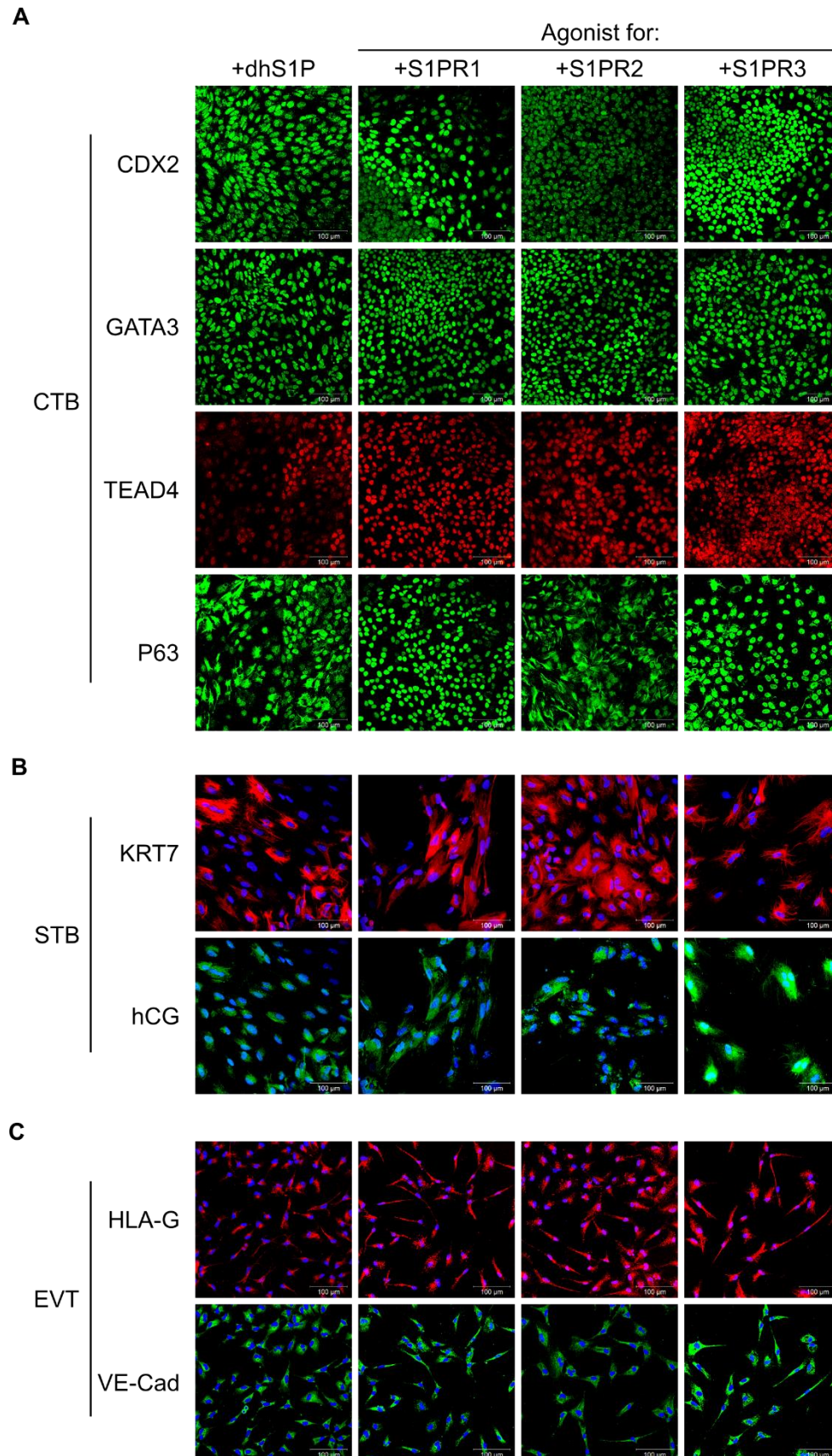


Figure 2: S1P mediates its effects on trophoblast differentiation of hESCs through its receptors.

(A) Confocal images of CTB-like cells from 6-day treatment of H9 hESCs using D-erythro-dihydrospingosine-1-phosphate (dhS1P), CYM5442 (S1PR1 agonist), CYM5220 (S1PR2 agonist), and CYM5541 (S1PR3 agonist), staining for CDX2, GATA3, P63, and TEAD4. Nuclei were stained with DAPI.

(B) Confocal images of STB cells from 14-day treatment of H9 hESCs using dhS1P, CYM5442, CYM5520, and CYM5541 during the initial 6-day treatment, staining for KRT7 and hCG. Nuclei were stained with DAPI.

(C) Confocal images of EVT cells from 12-day treatment of H9 hESCs using dhS1P, CYM5442, CYM5220, and CYM5541 during the initial 6-day treatment, staining for HLA-G and VE-Cadherin. Nuclei were stained with DAPI.

Scale bars are 100 μ m for all images.

142 **Optimizing timing of hESC differentiation enables derivation of CDX2⁺ hTESCs.**

143 We investigated whether CTB-like cells obtained by treatment of hESCs with BMP4 and
144 SB431542 in E7 medium supplemented with the S1PR3 agonist CYM5541 for 6 days could be
145 passaged and maintained under conditions used for culture of primary hTSCs (Okoe et al., 2018).
146 Upon plating in trophoblast stem cell medium (TSCM) developed by Okoe et al. (2018), hESC-
147 derived CTB-like cells underwent differentiation, and epithelial colonies could not be retained after
148 a single passage. CDX2 expression is upregulated significantly in as little as 2 days after initiation
149 of hESC differentiation (**Figure S1A, B**). Additionally, previous studies have reported differentia-
150 tion of hESCs to CDX2⁺/p63⁺ cells upon treatment with BMP for 4 days (Horii et al., 2016). There-
151 fore, we explored the use of a shorter differentiation step for obtaining CTB-like cells. After 3 days
152 of differentiation, H9 and H1 hESCs expressed nuclear CDX2, P63, and TEAD4 uniformly (**Figure**
153 **3B**). Quantitative image analysis showed that nearly all cells are CDX2⁺ at day 3, in contrast to
154 CTB-like cells at day 6. Notably, use of a 6-day protocol resulted in significantly reduced fraction
155 CDX2⁺ cells in the case of H1 hESCs in comparison to H9 hESCs; H9 cells retained CDX2⁺ cells
156 longer (**Figure 3C**).

157 CDX2+ cells at day 3 were passaged into a chemically defined medium containing four
158 major components (denoted TM4) – the S1PR3 agonist CYM5541, the GSK3 β inhibitor
159 CHIR99021, the TGF β inhibitor A83-01, and FGF10. CHIR99021 and A83-01 are components of
160 TSCM used for culture of primary hTSCs; FGF10 was included because FGFR2b signaling is
161 active in primary hTSCs and the early placenta (Okae et al., 2018). Cells in TM4 could be main-
162 tained as epithelial colonies for 30+ passages over the course of 5 months. In TM4 medium,
163 cells derived from H9 and H1 hESCs expressed the trophoblast markers CDX2, TFAP2C, YAP,
164 TEAD4, and GATA3 (**Figure 3D; Figure S4A**) (Choi et al., 2012; Home et al., 2012; Nishioka et
165 al., 2008; Niwa et al., 2005; Ralston et al., 2010; Yagi et al., 2007). Additionally, cells expressed
166 the pan-trophoblast marker KRT7, and low levels of P63, which is expressed in CTBs found in
167 the placental villi. Notably, CDX2 expression has been strongly associated with the trophecto-
168 derm and is lost once placental villi are formed (Blakeley et al., 2015; Hemberger et al., 2010;
169 Horii et al., 2016; Knöfler et al., 2019). Due to their expression of CDX2, and to distinguish them
170 from trophoblast stem cells that do not express CDX2, these cells are denoted as human
171 trophoctoderm stem cells (hTESCs).

172 **P63⁺ hTSCs derived from hESCs can be maintained in TSCM.**

173 We evaluated whether hTESCs could be maintained in TSCM used for culturing primary
174 hTSCs (**Figure 3A**) (Okae et al., 2018). When hTESCs cultured in TM4 for 5+ passages were
175 directly passaged into TSCM, cells underwent a change in colony morphology over ~ 3 passages;
176 however, very little differentiation was observed. Notably, cell morphology of the hESC-derived
177 cells closely resembled that of primary hTSCs in TSCM (**Figure S5A**) (Okae et al., 2018). Strik-
178 ingly, however, hESC-derived hTESCs lost expression of CDX2 and gained high expression of
179 P63. As discussed earlier, cells could be maintained as epithelial colonies when hESCs after 3
180 days of differentiation were passaged into TM4. In contrast, passaging day-3 differentiated hESCs

181 into TSCM resulted in extensive differentiation, although a few epithelial colonies could be ob-
182 served. Further passaging resulted in similar morphological changes in the epithelial colonies as
183 those observed for hTESCs transitioning to TSCM. After ~ 6 passages, only epithelial colonies
184 remained, and they closely resembled both the hTESCs transitioned into TSCM and primary
185 hTSCs. H9 and H1 hESC-derived cells – passaged directly into TSCM after 3 days of differenti-
186 ation or transitioned from TM4 (**Figure 3A**) – showed high expression of YAP, TEAD4, TFAP2C,
187 and GATA3, similar to cells in TM4, but no expression of CDX2 (**Figure 3E; Figure S4B**). Lastly,
188 hESC-derived hTSCs exhibit similar expression profile of trophoblast markers as primary hTSCs
189 (**Figure S5B**). Therefore, these cells are denoted as hTSCs.

190 We further evaluated the differentiation potential of hESC-derived hTSCs using same pro-
191 tocols as those used by Okae et al. (2018) for differentiation of primary hTSCs to EVT_s and STB
192 (Okae et al., 2018). Similar to primary hTSCs, the hESC-derived hTSCs could be differentiated
193 into mesenchymal EVT_s expressing HLA-G and VE-Cadherin (**Figure 3F; Figure S4C**) and mul-
194 tinucleate cells expressing the STB markers hCG and KRT7 (**Figure 3G; Figure S4D**). Further,
195 hESC-derived hTSCs retained their ability to differentiate into STB- and EVT_s after 30 passages
196 in TSCM. Strikingly however, hTESCs did not differentiate to EVT_s using the same protocols used
197 for hTSCs (**Figure S5C**). Taken together along with differences in culture conditions for mainte-
198 nance and expression of the trophoctoderm marker CDX2, these results suggest that hTESCs
199 and hTSCs represent two distinct stem cell populations, with hTESCs being a more primitive cell
200 type.

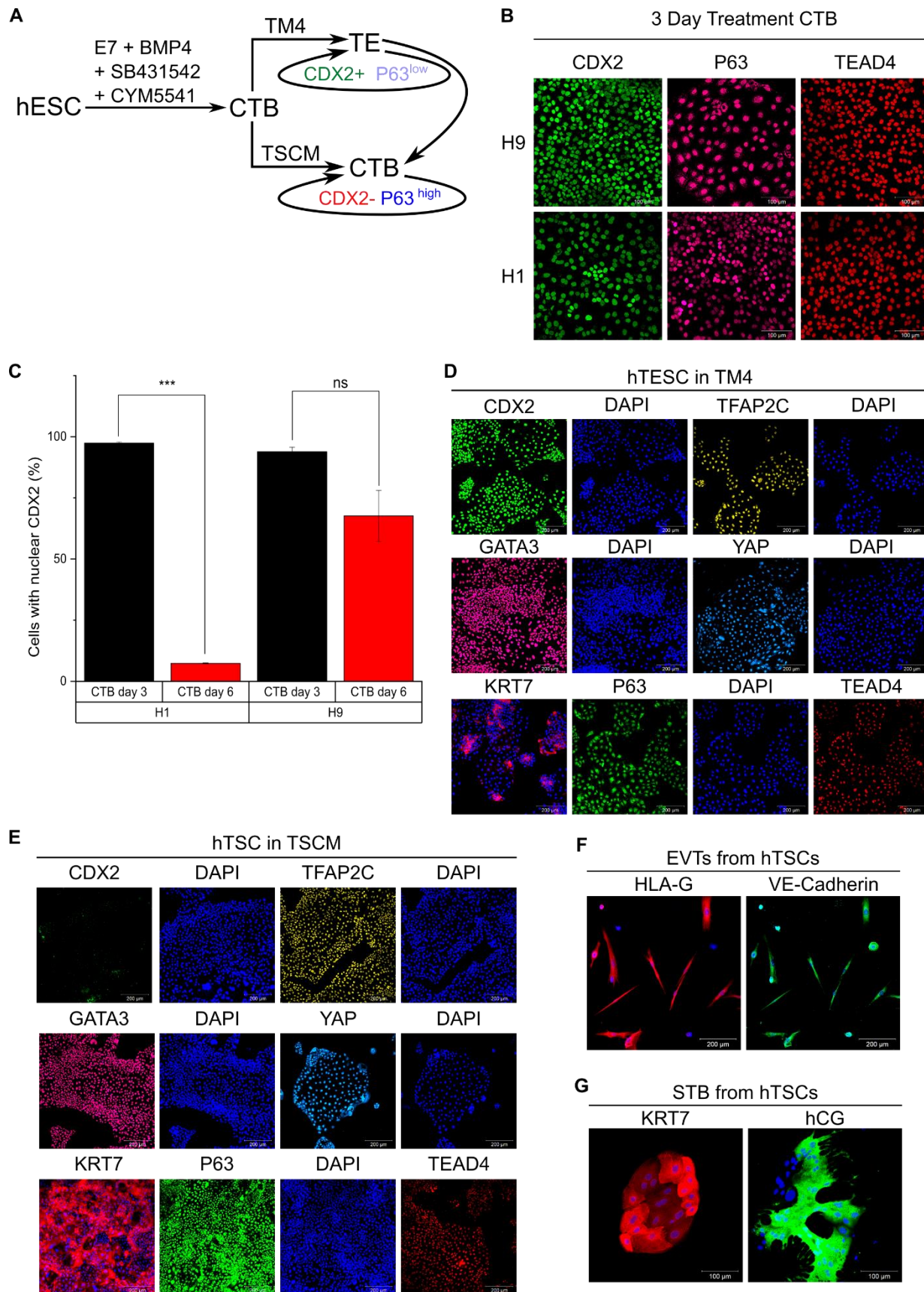


Figure 3: Optimizing timing of hESC differentiation enables derivation of CDX2+ hTESCs and P63+ hTSCs.

(A) Schematic of differentiation protocol for establishment of hTESCs and hTSCs from hESCs.

(B) Confocal images of 3-day treated H9 and H1 hESCs, staining for CDX2, P63, and TEAD4. Nuclei were stained with DAPI. Scale bars are 100 μ m.

(C) Quantitative analysis of cells expressing nuclear CDX2 after 3-day and 6-day differentiation of H1 (day 3, n=5455; day 6, n=2448) and H9 (day 3, n=5552; day 6, n=6448) hESCs. Analysis was performed in MATLAB and at least 2 biological replicates were used. (Error bars are S.E., ***p<0.05).

(D) Confocal images of H9 hESC-derived hTESCs in TM4, staining for CDX2, TFAP2C and GATA3, YAP, TEAD4, and P63. Nuclei were stained with DAPI. Scale bars are 200 μ m.

(E) Confocal images of H9 hESC-derived hTSCs in TSCM, staining for CDX2, TFAP2C and GATA3, YAP, TEAD4, and P63. Nuclei were stained with DAPI. Scale bars are 200 μ m.

(F) Confocal images of EVT from H9 hESC-derived hTSCs, staining for HLA-G and VE-Cadherin. Nuclei were stained with DAPI. Scale bars are 200 μ m.

(G) Confocal images of STB from H9 hESC-derived hTSCs staining for hCG and KRT7. Nuclei were stained with DAPI. Scale bars are 100 μ m.

201 **Transcriptome analysis confirms equivalence of hESC-derived and primary hTSCs and re-**
202 **veals differences between hTSCs and hTESCs**

203 We conducted genome wide transcriptome analysis on hTESCs, and hESC-derived and
204 primary hTSCs using RNA sequencing. Principal component analysis (PCA) of transcriptomic
205 signatures showed that hESC-derived and primary hTSCs cluster together, indicating similarities
206 in overall gene expression (**Figure 4A**). Hierarchical clustering analysis further confirmed the very
207 high transcriptome similarity between hESC-derived and primary hTSCs (**Figure 4B**). In conjunc-
208 tion with similarities in marker expression and culture conditions for maintenance and differentia-
209 tion, these results establish the equivalence of hESC-derived and primary hTSCs.

210 PCA also showed that hTESCs are a distinct population of cells that cluster differently
211 from hTSCs and hESCs differentiated to the trophoblast lineage for 3 days (**Figure 4A**). Higher
212 expression of the trophectoderm-associated markers *CDX2* and *HAND1* is observed in hTESCs

213 relative to hTSCs. On the other hand, expression of *TP63* – associated with villous CTB – is
214 higher in hTSCs relative to hTESCs (**Figure 4C**). Statistical analysis of gene expression profiles
215 identified genes that were significantly differentially expressed between hTESCs and hTSCs.
216 Specifically, 269 genes showed significantly higher expression levels, and 275 genes showed
217 significantly lower expression levels in hTESCs vs. hTSCs (**Tables S1 and S2**). Gene set enrich-
218 ment analysis of these genes identified 300 and 47 gene ontology (GO) categories (out of 9996
219 queried categories) associated with genes showing higher and lower expression in hTESCs vs
220 hTSCs, respectively (**Tables S3 and S4**). Interestingly, consistent with differences in colony mor-
221 phology between hTESCs and hTSCs, genes associated with extracellular matrix, biological ad-
222 hesion, and cell-cell adhesion were upregulated in hTESCs. Taken together along with distinct
223 medium requirements for maintenance in cell culture, and differences in EVT differentiation under
224 identical assay conditions, these results show that hTSCs and hTESCs represent distinct stem
225 cell populations.

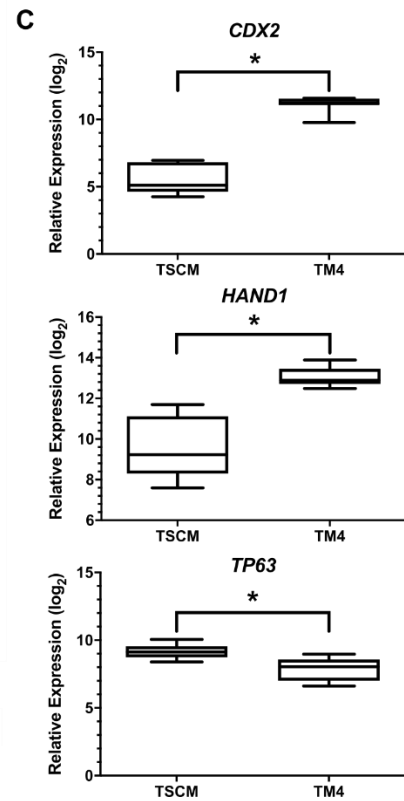
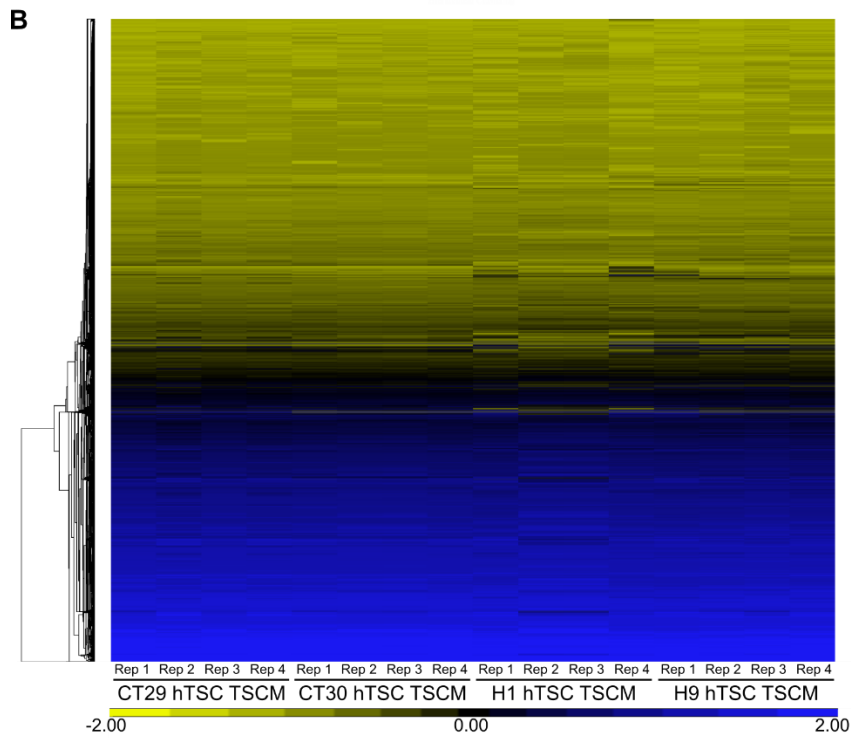
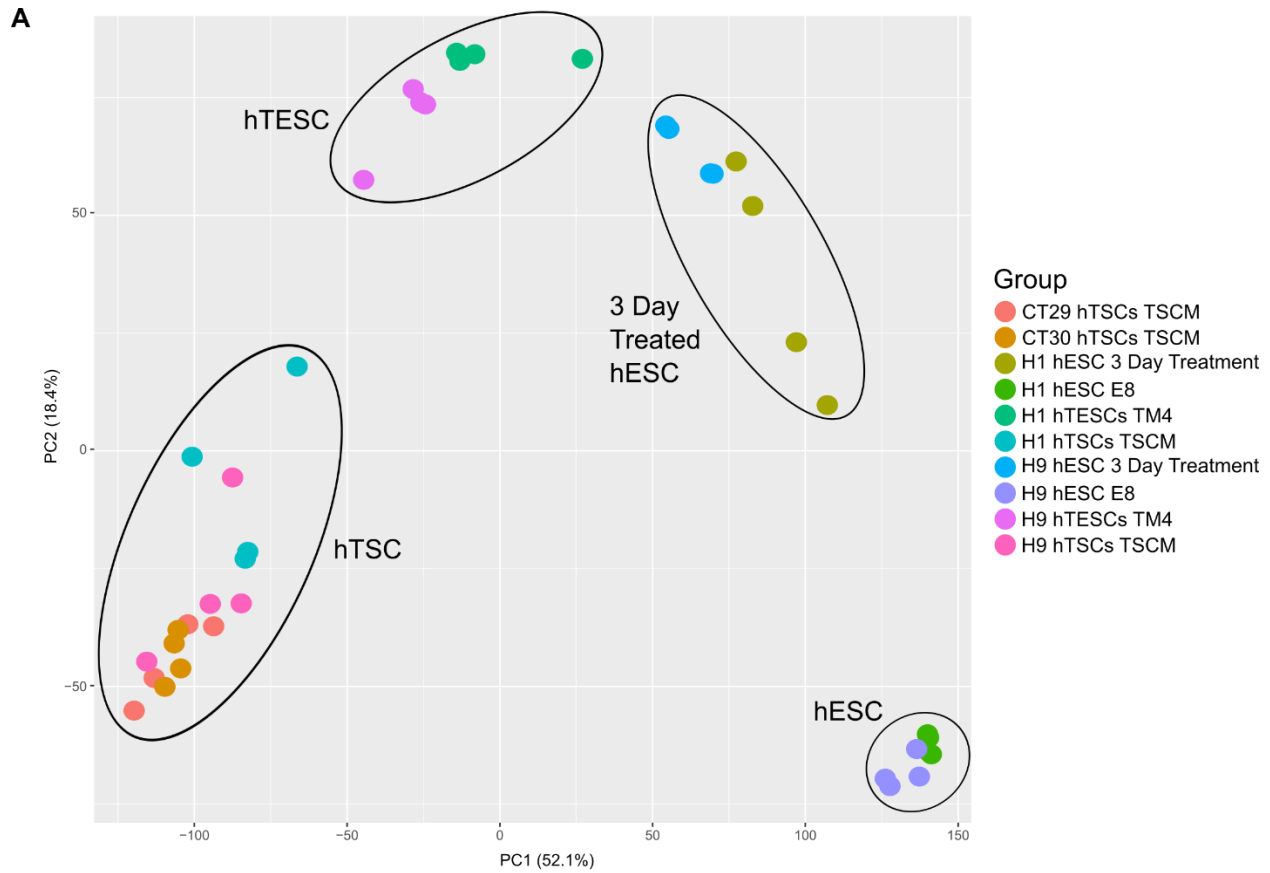


Figure 4: Transcriptome analysis confirms equivalence of hESC-derived and primary hTSCs and reveal differences between hTSCs and hTESCs

(A) Principal component analysis (PCA) of transcriptome data on H1 and H9 hESCs, H1 and H9 hESCs after 3-day treatment, H1 and H9 hESC-derived hTESCs cultured in TM4, H1 and H9 hESC-derived and primary (CT29 and CT30) hTSCs cultured in TSCM.

(B) Hierarchical clustering analysis of transcriptome data from H1 and H9 hESC-derived and primary (CT29 and CT30) hTSCs.

(C) Relative expression of trophoctoderm-associated markers *CDX2* and *HAND1* and villous CTB-associated marker *TP63* in H1 and H9 hESC-derived hTESCs and hTSCs (* $q < 0.001$).

226 **hTESCs and hTSCs can be generated from hiPSCs.**

227 Lastly, we investigated if our results on derivation of hTESCs and hTSCs from hESCs can
228 be extended to hiPSCs. Accordingly, we used our previously described protocols (**Figure 3A**) to
229 derive hTESCs and hTSCs from the hiPSC line SBli006-A. hTESCs derived from SBli006-A hiP-
230 SCs maintained expression of *CDX2*, *TFAP2C*, *GATA3*, *YAP*, *KRT7*, and *TEAD4*, along with low
231 expression level of *P63* in TM4 (**Figure 5A**). Similarly, hTSCs derived from SBli006-A hiPSCs
232 expressed *KRT7*, *P63*, *TEAD4*, *TFAP2C*, *YAP*, and *GATA3* in TSCM (**Figure 5B**). Similar to the
233 case with hESC-derived hTSCs, cells lost expression of *CDX2* but gained higher expression lev-
234 els of *P63* and *KRT7* in TSCM. Differentiation of hTSCs derived from SBli006-A hiPSCs using
235 protocols described by Okae et al. (2018), resulted in formation of mesenchymal EVT_s with high
236 expression of *HLA-G* and *VE-Cadherin* (**Figure 5C**), and multinucleate STB expressing hCG and
237 *KRT7* (**Figure 5D**). These results show that hTESCs and hTSCs can also be derived from hiP-
238 SCs.

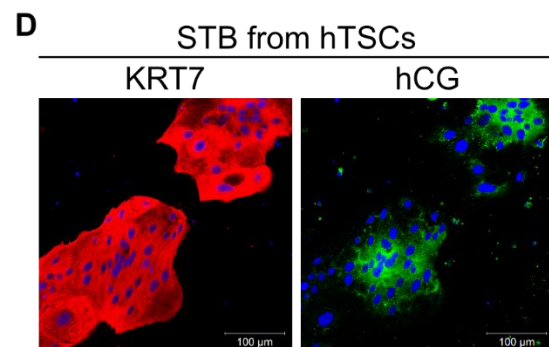
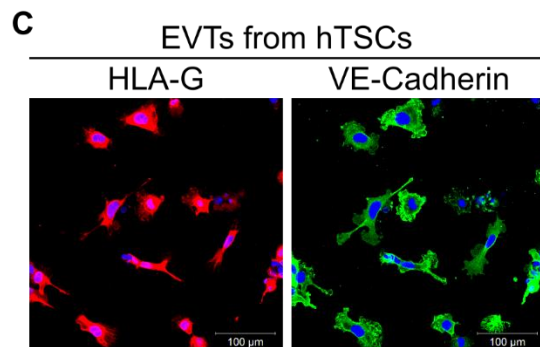
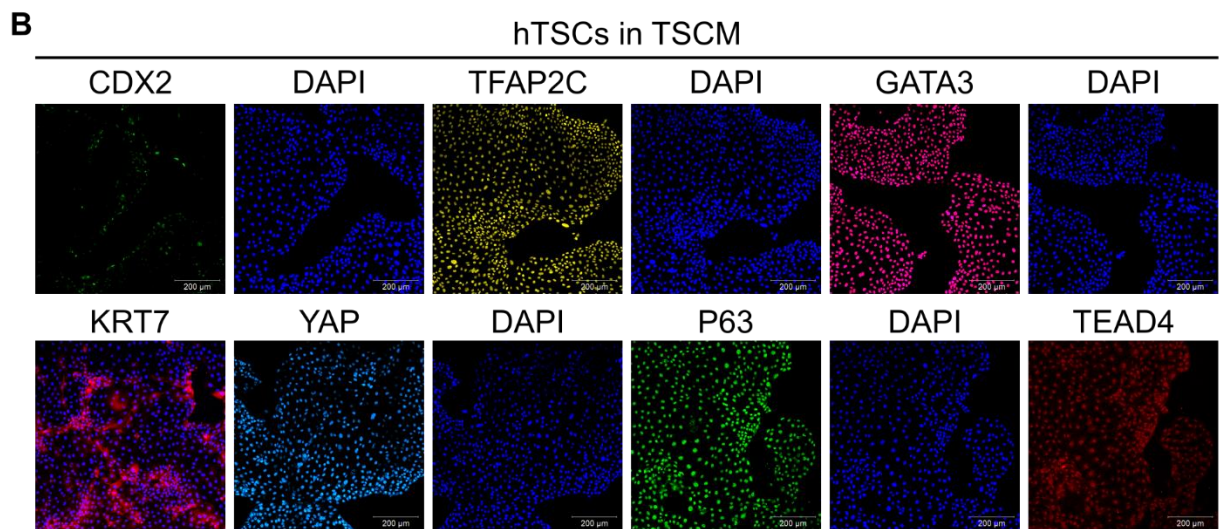
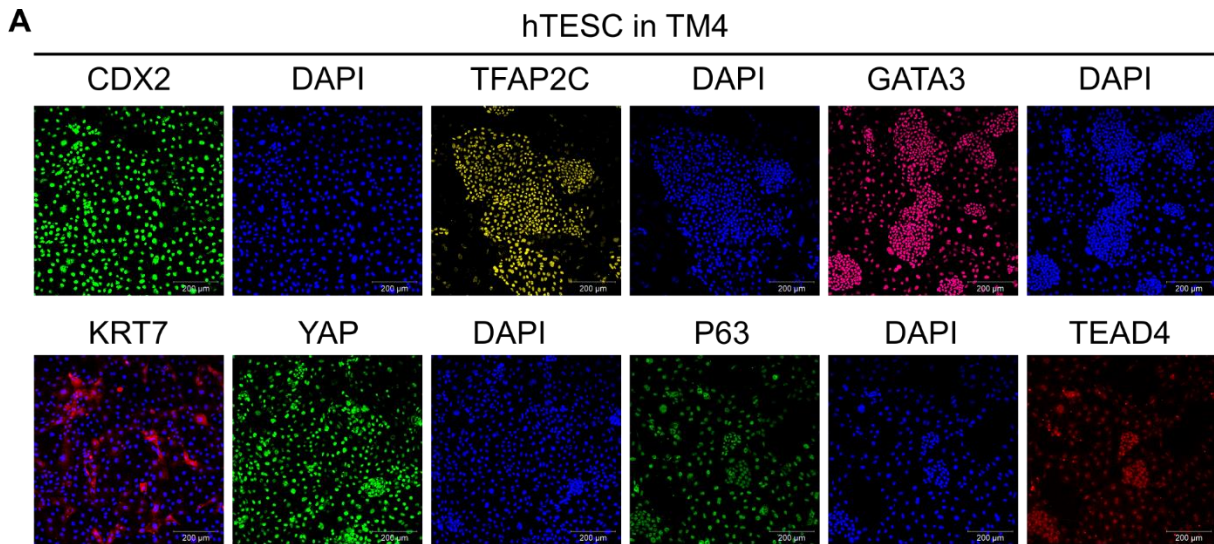


Figure 5: hTESCs and hTSCs generated from human iPSCs.

(A) Confocal image of SBli006-A-derived hTESCs in TM4, staining for CDX2, TFAP2C, GATA3, YAP, TEAD4, and P63. Nuclei were stained with DAPI. Scale bars are 200 μ m.

(B) Confocal images of SBli006-A-derived hTSCs in TSCM, staining for CDX2, TFAP2C, GATA3, YAP, TEAD4, and P63. Scale bars are 200 μ m.

(C) Confocal images of EVT from SBli006-A-derived hTSCs, staining for HLA-G and VE-Cadherin. Scale bars are 100 μ m.

(D) Confocal images of STB from SBli006-A-derived hTSCs, staining for hCG and KRT7. Scale bars are 100 μ m.

239 **Discussion**

240 In this study, we have shown that two distinct stem cell populations of the trophoderm lineage
241 – hTSCs and hTESCs – can be derived from hESCs and hiPSCs under chemically defined culture
242 conditions. Whether bona fide trophoblast can be obtained from human pluripotent stem cells
243 has been a subject of debate (Roberts et al., 2014). Despite extensive research in this area,
244 conducting a rigorous head-to-head comparison between hESC-derived and primary trophoblasts
245 has been challenging. The isolation of trophoblast stem cell populations from hESCs in this study,
246 in conjunction with the recent derivation of primary hTSCs (Okae et al., 2018) enabled such a
247 comparison. We have shown that hESCs can be differentiated to hTSCs that express markers
248 consistent with primary hTSCs (P63, TEAD4, TFAP2C, YAP, and GATA3). The hESC-derived
249 hTSCs are cultured in the same medium as primary hTSCs and differentiate to EVT and STB
250 using similar protocols as those used for primary hTSCs. Further, hESC-derived hTSCs and pri-
251 mary hTSCs have highly similar transcriptomes. Taken together, these results establish the equiv-
252 alence of hESC-derived and primary hTSCs and demonstrate that hESCs can indeed differentiate
253 to bona fide trophoblasts.

254 **Role of receptor mediated S1P signaling and hESC culture medium in trophoblast differ-**
255 **entiation of hESCs.**

256 Previous studies on trophoblast differentiation of hESCs have employed differing protocols, re-
257 sulting in significantly different outcomes in some cases. Notably, Bernardo et al. (2011) reported
258 that BMP treatment of hESCs results in differentiation of hESCs to mesoderm and not trophoblast.
259 Our studies suggest two potential explanations for discrepancies in previous studies. First, our
260 results show that receptor-mediated signaling by the albumin-associated sphingolipid S1P plays
261 a critical role in hESC differentiation to trophoblast in our medium. Differences in results reported
262 by previous studies may be due to variability in the lipid composition of media used during troph-
263 oblast differentiation of hESCs. Second, the medium used for routine maintenance of undifferen-
264 tiated hESCs likely contributes significantly to their differentiation potential. For instance, unlike
265 hESCs cultured in the presence of KSR, hESCs in E8 medium exhibit features of naïve pluripo-
266 tency (Cornacchia et al., 2019). Recent studies report the conversion of hESCs to expanded po-
267 tential stem cells (EPSCs) by transitioning hESCs to a human EPSC medium. Significantly, hTSC-
268 like cells can be obtained by passaging EPSCs – but not hESCs in KSR containing medium – in
269 TSCM used for culture of primary hTSCs (Gao et al., 2019). The efficiency of establishing hTSC-
270 like lines was low (~ 30% with manual isolation of colonies) and a rigorous transcriptome com-
271 parison with primary hTSCs was not conducted. Nevertheless, taken together these studies un-
272 derscore the importance of hESC culture conditions in their differentiation potential. Differences
273 in culture conditions for undifferentiated hESCs may lead to inconsistent results during trophoblast
274 differentiation of hESCs.

275 Our results show that Rho/ROCK signaling and YAP are necessary for trophoblast differ-
276 entiation of hESCs in our medium. However, the exact molecular mechanisms that underlie ac-
277 quisition of trophoblast fate in the presence of S1P receptor activation need to be further studied.

278 Our results do not preclude the possibility that Rho/ROCK and/or YAP acts independently of S1P
279 receptor mediated signaling in our system.

280 **Differences between hTESCs and hTSCs**

281 Marker expression analysis, functional differentiation assays, and genome-wide transcriptome
282 analysis confirm the equivalence of hESC-derived hTSCs and primary hTSCs that are similar to
283 villous CTB. However, hTESCs differ significantly from hTSCs. They do not undergo differentia-
284 tion to EVT_s under the culture conditions used for differentiating hESC-derived and primary
285 hTSCs. Transcriptome analysis shows that genes associated with several key pathways and bi-
286 ological processes are differentially regulated between hTESCs and hTSCs. Significantly,
287 hTESCs – but not hTSCs – express high levels of the trophoctoderm-associated markers *CDX2*
288 and *HAND1*. Therefore we opt for the nomenclature human trophoctoderm stem cells (hTESCs)
289 as proposed by Knöfler et al. (2019), to distinguish these CDX2⁺ stem cells from hTSCs. Con-
290 sistent with the more primitive nature of hTESCs, they can be readily transitioned into TSCM used
291 for culturing hTSCs, as was seen by Okae et al. (2018) when transitioning trophoctoderm cells of
292 blastocysts into TSCM. Subsequently, similar to primary hTSCs, hTESCs lose expression of
293 CDX2 and express higher levels of P63 in TSCM, and can differentiate to form EVT_s and STB.
294 Note that primary hTSCs derived from the trophoctoderm in the blastocyst stage embryo lose
295 expression of CDX2 in TSCM (Okae et al., 2018). On the other hand, it has not been possible yet
296 to revert hTSCs to hTESCs by culturing in TM4 medium. Further studies are needed to rule out
297 the possibility of such a reversion to the more primitive cell type.

298 **Considerations for derivation and culture of hTESCs**

299 To derive hTESCs, undifferentiated hESCs maintained in E8 medium are first treated for 3 days
300 with the S1PR3 agonist, BMP4 and the activin/nodal inhibitor SB4315432, to obtain CDX2⁺ cells.
301 Subsequently, CDX2⁺ cells are passaged in TM4 medium to obtain hTESCs. Using this protocol,

302 we observed increased differentiation of H1-derived cells upon passage into TM4 medium, rela-
303 tive to H9- and SBli006-A-derived cells. Shortening the initial treatment step in case of H1 hESCs
304 to 2 days eliminated excessive differentiation and facilitated derivation of hTESCs. However, we
305 were unable to derive hTESCs with any cell line when the initial treatment was greater than 3
306 days.

307 In our studies, the initial hESC differentiation step was carried out in E7 medium that con-
308 tains bFGF. Differentiation of hESCs to trophoblast has been carried out in the presence or ab-
309 sence of exogenous FGF (Amita et al., 2013; Das et al., 2007). Consistent with this, we found
310 that hTESCs could be formed even if the initial treatment was carried out in E6 medium lacking
311 bFGF, instead of E7 medium.

312 It is important to note that hTESCs proliferate slower in culture than hTSCs. We also ob-
313 serve that the attachment of hTESCs to tissue culture plates is less efficient than hTSCs. Finally,
314 we observe that excessive differentiation in TM4 medium during early passages could be coun-
315 tered by reducing the concentration of ascorbic acid (32 $\mu\text{g}/\text{mL}$ instead of 64 $\mu\text{g}/\text{mL}$) in TM4.
316 Additional studies on composition of TM4 medium or the substrates used to coat tissue culture
317 plates may lead to improved growth rate and attachment efficiency. Alternatively, the slower
318 growth rate and less efficient attachment characteristics may be an inherent feature of the hTESC
319 state. Nonetheless, we have successfully maintained hTESCs derived from all cell lines studied
320 for at least 20 passages, in several independent runs over 5+ months. We recommend passaging
321 hTESCs routinely at higher cell densities relative to hTSCs, and troubleshooting cell line specific
322 variability by optimizing the initial treatment step and/or lowering ascorbic acid concentration in
323 TM4.

324 Derivation of hTSCs from hiPSCs

325 We have shown that hTESCs and hTSCs can be derived from hiPSCs. Since hiPSCs can
326 be derived by reprogramming easily accessible somatic tissues, hTSCs and hTESCs derived
327 from hiPSCs can greatly accelerate research in placental biology. Further, arguably a limitation
328 of primary hTSCs is that pregnancy outcomes at term for the early gestation placental samples
329 or blastocyst stage embryos used cannot be predicted accurately. In contrast, hiPSC-derived
330 hTSCs and hTESCs, from hiPSCs generated using somatic tissues obtained at term, will enable
331 development of models of validated normal and pathological trophoblast development. Perti-
332 nently, Sheridan et al. (2019) have derived hiPSCs from umbilical cords of normal pregnancies
333 and those associated with early onset preeclampsia. Our results also gain particular significance
334 in the light of restrictions on research with fetal tissue (Du Toit, 2019).

335 In conclusion, using optimized cell culture protocols detailed in the current study, we have
336 derived two distinct stem cell populations of the trophoctoderm lineage – hTESCs and hTSCs –
337 from human pluripotent stem cells. These stem cell models will be powerful tools for in vitro
338 studies on human trophoblast development.

339 Materials and Methods

340 Key resources table

| <i>REAGENT or RESOURCE</i> | <i>SOURCE</i> | <i>IDENTIFIER</i> |
|----------------------------|-----------------------------|-------------------------------|
| Antibodies | | |
| Anti-KRT7 | Santa Cruz Biotechnology | Cat#sc-23876, RRID:AB_2265604 |
| Anti-KRT7 | Cell Signaling Technologies | Cat# 4465, RRID:AB_11178382 |
| Anti-hCG | Abcam | Cat# ab9582, RRID:AB_296507 |
| Anti-hCG | Abcam | Cat# ab9376, RRID:AB_307221 |
| Anti-P63 | Cell Signaling Technologies | Cat# 13109, RRID:AB_2637091 |
| Anti-GATA3 | Cell Signaling Technologies | Cat# 5852, RRID:AB_10835690 |
| Anti-TFAP2C | Cell Signaling Technologies | Cat# 2320, RRID:AB_2202287 |
| Anti-YAP | Cell Signaling Technologies | Cat# 4912, RRID:AB_2218911 |
| Anti-TEAD4 | Abcam | Cat# ab58310, RRID:AB_945789 |

| | | |
|--|-----------------------------|--------------------------------|
| Anti-CDX2 | Abcam | Cat# ab76541, RRID:AB_1523334 |
| Anti-VE-Cadherin | Cell Signaling Technologies | Cat# 2500, RRID:AB_10839118 |
| Anti-HLA-G | Abcam | Cat# ab52455, RRID:AB_880552 |
| Anti-Syncytin | Santa Cruz Biotechnology | Cat# sc-50369, RRID:AB_2101536 |
| Rabbit Polyclonal IgG | R&D Systems | Cat# AB-105-C, RRID:AB_354266 |
| Rabbit XP IgG | Cell Signaling Technologies | Cat# 3900, RRID:AB_1550038 |
| Mouse IgG1 | Abcam | Cat# ab18447, RRID:AB_2722536 |
| Mouse IgG2a | Abcam | Cat# 554126, RRID:AB_479661 |
| Alexa Fluor 488-conjugated anti-rabbit IgG | Thermo Fisher Scientific | Cat# A-11034, RRID:AB_2576217 |
| Alexa Fluor 647-conjugated anti-rabbit IgG | Thermo Fisher Scientific | Cat# A-21052, RRID:AB_2535719 |
| DAPI | R&D Systems | Cat#5748 |
| Chemicals, Peptides, and Recombinant Proteins | | |
| TrypLE | Thermo Fisher Scientific | Cat#12604013 |
| Vitronectin | Thermo Fisher Scientific | Cat#A14700 |
| Laminin 521 | Stem Cell Technologies | Cat#77003 |
| TeSR-E8 | Stem Cell Technologies | Cat#05990 |
| TeSR-E7 | Stem Cell Technologies | Cat#05914 |
| TeSR-E6 | Stem Cell Technologies | Cat#05946 |
| ReLeSR | Stem Cell Technologies | Cat#05872 |
| Sphingosine-1-phosphate | Tocris | Cat#1370 |
| D-erythro-dihydrosphingosine-1-phosphate | Abcam | Cat#ab141750 |
| SB431542 | Tocris | Cat#1614 |
| BMP4 | Thermo Fisher Scientific | Cat#PHC9534 |
| CYM5442 hydrochloride | Tocris | Cat#3601 |
| CYM5520 | Tocris | Cat#5418 |
| CYM5541 | Tocris | Cat#4897 |
| Y-27632 dihydrochloride | Tocris | Cat#1254 |
| EGF | R&D Systems | Cat#236-EG |
| Doxycycline hyclate | Tocris | Cat#4090 |
| Puromycin dihydrochloride | Tocris | Cat#4089 |
| Activin A | R&D Systems | Cat#338-AC |
| Greiner Bio-one Cell View glass plates | Greiner Bio-one | Cat#627965 |
| 4% Paraformaldehyde in PBS | Thermo Fisher Scientific | Cat#R37814 |
| Triton X-100 | Sigma | Cat#T8787 |
| PBS w/o CaMg | Sigma | Cat#D5773 |
| PBS w/ CaMg | Sigma | Cat#D8662 |
| Human IgG | Immunoreagents | Cat#Hu-003-C |
| BSA | Fisher Scientific | Cat#BP9703 |
| 10% BSA fatty acid free in PBS | Sigma | Cat#A1595 |
| VPA | Sigma | Cat#P6273 |
| A83-01 | Tocris | Cat#2939 |

| | | |
|---------------------------------|---|---------------------------------|
| 2-mercaptoethanol | Sigma | Cat#M3148 |
| FBS | Thermo Fisher Scientific | Cat#16141-061 |
| DMEM/F12 | Thermo Fisher Scientific | Cat#11320033 |
| ITS-X | Thermo Fisher Scientific | Cat#51500-056 |
| L-ascorbic acid | Sigma | Cat#A8960 |
| Pen/Strep | Thermo Fisher Scientific | Cat#15140122 |
| Forskolin | Tocris | Cat#1099 |
| Neuregulin | Cell Signaling Technologies | Cat#5218SC |
| Matrigel | Corning | Cat#354234 |
| KSR | Thermo Fisher Scientific | Cat#10828028 |
| Trizol Reagent | Thermo Fisher Scientific | Cat#15596018 |
| DEPC | Sigma | Cat#95284 |
| Baseline Zero DNAase Kit | VWR | Cat#76081-624 |
| Oligo-dT | IDT | Cat#51-01-15-07 |
| dNTP mix | Thermo Fisher Scientific | Cat#10297018 |
| Superscript II RT | Thermo Fisher Scientific | Cat#18064014 |
| SYBR Green Supermix | Bio-rad | Cat#1725272 |
| Methanol | Fisher Scientific | Cat#A412-500 |
| Acetone | Fisher Scientific | Cat#A18-500 |
| Critical Commercial Kits | | |
| GeneJET RNA Purification Kit | Thermo Fisher Scientific | Cat#K0731 |
| Oligonucleotides | | |
| qPCR Primers | IDT | Methods S1 for primer sequences |
| Software and Algorithms | | |
| R (v3.6.0) | http://www.R-project.org/ | N/A |
| DESeq2 package (v1.22.2) | | |
| SAS Software | | N/A |
| Zeiss Zen Software | https://www.zeiss.com/microscopy/us/products/microscope-software/zen-lite.html | N/A |

341 **Culture of hESCs and hiPSCs**

342 H1 and H9 hESCs and SBli006-A hiPSCs were cultured on plates coated with vitronectin (5 µg/ml)
 343 at room temperature for at least one hour. Cells were cultured in 2 ml of TeSR-E8 medium at
 344 37°C in 5% CO₂ in 6-well plates and culture medium was replaced every day. When cells reached
 345 confluency, they were passaged using ReLeSR according to the manufacturer's protocol, at a
 346 1:10 split ratio.

347 **Differentiation of hESCs (6 days protocol)**

348 The day after passaging, differentiation was initiated in H1 or H9 hESCs by treatment with S1P
349 (10 μ M), SB431542 (25 μ M) and BMP4 (20 ng/ml) in TeSR-E7 for 6 days. In some experiments,
350 the S1PR agonists CYM5442 hydrochloride (10 nM), CYM5520 (5 μ M), CYM5541 (2 μ M), or the
351 Rho/ROCK inhibitor Y-27632 (5 μ M), or doxycycline (2 μ M), and/or puromycin (1.5 μ g/mL) was
352 added during the differentiation process. The medium was replaced every day. At day 6 of treat-
353 ment, cells were dissociated with TrypLE for 5 min at 37°C. For differentiation to EVT_s, cells were
354 seeded in a 6-well plate pre-coated with 5 μ g/ml of vitronectin at a density of 7×10^4 cells per well
355 and cultured in 2 ml of TeSR-E8 medium supplemented with SB431542 (25 μ M) and EGF (2.5
356 ng/ml). Medium was replaced every other day and analyzed at day 12 of total treatment. For
357 differentiation to STB, cells were seeded in a 6-well plate pre-coated with 5 μ g/ml of vitronectin at
358 a density of 4×10^4 cells per well and cultured in 2 ml of TeSR-E6 supplemented with Activin A (20
359 ng/ml) and EGF (50 ng/ml). Medium was replaced every other day and analyzed at day 14 of
360 total treatment.

361 To investigate the role of YAP signaling in TB formation from hESCs, we used an hESC
362 cell line (H9) that expresses an inducible shRNA against YAP (H9-YAP-ishRNA) (Hsiao et al.,
363 2016). This cell line along with a scrambled shRNA control were a kind gift from Dr. Sean Palecek
364 (University of Wisconsin). shRNA expression was induced with doxycycline under constant ex-
365 posure to puromycin as the selection marker.

366 **Differentiation of hESCs to hTESCs and hTSCs**

367 The day after passaging, hESCs were differentiated by treatment with CYM5541 (2 μ M),
368 SB431542 (25 μ M), BMP4 (20 ng/ml) in TeSR-E7 for 2 and 3 days for H1 and H9 hESCs, respec-
369 tively. The medium was replaced every day. After 2 or 3 days of treatment, cells were dissociated
370 with TrypLE for 5 minutes at 37°C. For propagation of hTESCs, all cells were seeded in a 6-well
371 plate pre-coated with 3 μ g/ml of vitronectin and 1 μ g/ml of Laminin 521 at a density of $\sim 5 \times 10^4$

372 cells per well and cultured in 2 ml of TM4 medium [TeSR-E6 medium supplemented with
373 CYM5541 (2 μ M), A 83-01 (0.5 μ M), FGF10 (25ng/ml) and CHIR99021 (2 μ M)]. For establish-
374 ment of hTSCs, all cells were seeded in a 6-well plate pre-coated with 3 μ g/ml of vitronectin and
375 1 μ g/ml of Laminin 521 at a density of $\sim 5 \times 10^4$ cells per well and cultured in 2 ml of TSCM devel-
376 oped by Okae et al. (2018) [DMEM/F12 supplemented with 0.1 mM 2-mercaptoethanol, 0.2%
377 FBS, 0.5% Penicillin-Streptomycin, 0.3% BSA, 1% ITS-X supplement, 1.5 μ g/ml L-ascorbic acid,
378 50 ng/ml EGF, 2 μ M CHIR99021, 0.5 μ M A83-01, 1 μ M SB431542, 0.8 mM VPA and 5 μ M
379 Y27632]. hTESCs were directly passaged into TSCM for formation of hTSCs; complete transition
380 took \sim 5 passages. Alternatively, hESC after 2 or 3 days of differentiation were directly passaged
381 into TSCM.

382 **Culture of hTESCs and hTSCs**

383 hTESCs and hTSCs were cultured in TM4 and TSCM, respectively, in 2 ml of culture medium at
384 37C in 5% CO₂. Culture medium was replaced every 2 days. When hTESCs or hTSCs reached
385 70-90% confluence, they were dissociated with TrypLE at 37°C for 5-10 minutes and passaged
386 to a new 6-well plate pre-coated with 3 μ g/ml of vitronectin and 1 μ g/ml of Laminin 521 at a 1:3-
387 1:4 split ratio for hTESCs and 1:4-1:6 split ratio for hTSCs. hTESCs grown in TM4 medium were
388 supplemented with Y-27632 upon passage to aid in single cell attachment. Cells were routinely
389 passaged approximately every 4-6 days. hTESCs and hTSCs at passages 5+ were used for
390 analysis, with the exception of one replicate of H1-derived hTESCs used in RNA-sequencing
391 analysis where cells at passage 2 in TM4 were used.

392 CT29 and CT30 primary hTSCs were a kind gift from Dr. Hiroaki Okae (Tohoku University,
393 Japan (Okae et al., 2018)). Primary hTSCs were cultured in TSCM, similar to hESC-derived
394 hTSCs.

395 **Differentiation of hTESCs and hTSCs**

396 hTSCs were grown to ~80-90% confluence in TSCM and dissociated with TrypLE for 10 min at
397 37°C. For differentiation to EVT_s and STB, slightly modified versions of protocols developed by
398 Okae et al. (2018) were used. For differentiation to EVT_s, hTSCs were seeded in 6-well plates
399 pre-coated with 3 µg/ml vitronectin and 1 µg/ml of Laminin 521 at a density of 1.25×10⁵ cells per
400 well and cultured in 2 mL of EVT medium (DMEM/F12 supplemented with 0.1 mM 2-mercaptoeth-
401 anol, 0.5% Penicillin-Streptomycin, 0.3% BSA, 1% ITS-X supplement, 100 ng/ml NRG1, 7.5 µM
402 A83-01, 2.5 µM Y27632, and 4% KSR). Matrigel was added to a final media concentration of 2%
403 after suspending the cells in EVT medium. At day 3, the medium was replaced with the EVT
404 medium without NRG1, and Matrigel was added to a final concentration of 0.5%. At day 6, cells
405 were dissociated with TrypLE for 15 min at 37°C and passaged to a new vitronectin/laminin-
406 coated 6-well plates at a 1:2 split ratio. The cells were suspended in the EVT medium without
407 NRG1 and KSR. Matrigel was added to a final concentration of 0.5%, and cells were analyzed
408 after two additional days of culturing. For differentiation to STB, cells were seeded in 6-well plates
409 pre-coated 3 µg/ml vitronectin and 1 µg/ml of Laminin 521 at a density of 1.5×10⁵ cells per well
410 and cultured in 2 mL of DMEM/F12 supplemented with 0.1 mM 2-mercaptoethanol, 0.5% Penicil-
411 lin-Streptomycin, 0.3% BSA, 1% ITS-X supplement, 2.5 µM Y27632, 2 µM forskolin, and 4% KSR.
412 The medium was replaced at day 3, and cells were analyzed at day 6.

413 **RNA Isolation, cDNA synthesis and Quantitative PCR.**

414 RNA was isolated using Trizol™ reagent using the manufacturer's protocol. For cDNA synthesis,
415 the RNA pellet was dissolved in diethyl pyrocarbonate (DEPC)-treated water. The RNA was pu-
416 rified using Baseline-ZERO DNase buffer and Baseline-ZERO DNase enzyme and incubating at
417 37°C for 30 min. The purification was stopped with Baseline-ZERO DNase stop solution and
418 heated at 65°C for 10 min. cDNA was synthesized using 18-mer Oligo-dT and dNTP mix and
419 heated to 65°C for 5 min and quickly chilled on ice. First strand buffer and DTT was added and

420 incubated at 42°C for 2 min then superscript II RT enzyme was added and incubated at 42°C for
421 50 min. The enzyme was inactivated at 70°C for 15 min. The cDNA was stored at -20°C until
422 further used. The Quantitative PCR (qPCR) reaction was carried out using SYBR Green Super-
423 mix in a C1000 Touch Thermal Cycler CFX384 Real-Time System (Bio-Rad). The primers used
424 for qPCR analysis are listed in **Methods S1**. ANOVA analysis of gene expression data was
425 carried out with SAS software using the $\Delta\Delta C_t$ method to determine gene expression changes
426 (Livak and Schmittgen, 2001). QPCR analysis was carryout out using three biological replicates
427 for H9 and H1 hESCs as specified in the figure panels.

428 **Immunofluorescence analysis**

429 For immunofluorescence analysis, cells were grown on glass-bottom culture dishes coated with
430 3 $\mu\text{g/ml}$ vitronectin and 1 $\mu\text{g/ml}$ of Laminin 521. Cells were fixed either using 4% paraformalde-
431 hyde in PBS for 10 min, permeabilized with 0.5% Triton X-100 for 5 min and blocked in 3%
432 BSA/PBS with 0.1% human IgG and 0.3% Triton X-100 for 1 hr. Cells were then incubated over-
433 night with the primary antibody diluted in blocking buffer. The following primary antibodies were
434 used: anti-KRT7 (SCB, 1:50), anti-KRT7 (CST, 1:500), rabbit anti-hCG (1:100), mouse anti-hCG
435 (1:100), anti-YAP (1:200), anti-TFAP2C (1:400), anti-P63 (1:600), anti-GATA3 (1:500), anti-
436 TEAD4 (1:250), anti-CDX2 (1:300), anti-VE-Cadherin (1:400), anti-HLA-G (1:300), anti-syncytin
437 (1:50). Corresponding isotype controls (rabbit polyclonal IgG, rabbit XP IgG, mouse IgG1, and
438 mouse IgG2a) were used at primary antibody concentrations. Alexa Fluor 488- or Alexa Fluor
439 647-conjugated secondary antibodies were used as secondary antibodies. Nuclei were stained
440 with DAPI and all samples were imaged using a Zeiss LSM 710 or 880 laser scanning confocal
441 microscope (Carl Zeiss, Germany).

442 **Confocal image analysis**

443 Image analysis was conducted using an image processing algorithm created in MATLAB. First,
444 the DAPI stain was isolated, binarized, and processed to accurately represent the number of cells
445 in each image. The primary-antibody stain of interest was isolated and processed in the same
446 manner. Only primary-antibody pixels that overlap DAPI pixels were considered for analysis, and
447 the average intensities of those pixels were measured and correlated to the nearest nuclei. This
448 was performed for one control image and multiple experimental images. Each cell in the experi-
449 mental images was considered positively stained if the average intensity of that cell was greater
450 than the average intensity of all of the cells in the control image. Statistical analysis was done
451 using a two-tailed t-test evaluating percent positive cells from different treatment periods.

452 **RNA sequencing analysis using next generation sequencing**

453 Total RNA was extracted with Trizol™ reagent using manufacturer's protocol. RNA was purified
454 using GeneJET RNA Purification Kit using manufacturer's protocol. Isolated RNA samples were
455 then used to evaluate genome-wide mRNA expression profiles using next generation RNA-se-
456 quencing, conducted at GENEWIZ, LLC. (South Plainfield, NJ, USA). RNA samples received at
457 GENEWIZ were quantified using Qubit 2.0 Fluorometer (Life Technologies, Carlsbad, CA, USA)
458 and RNA integrity was checked using Agilent TapeStation 4200 (Agilent Technologies, Palo Alto,
459 CA, USA).

460 RNA sequencing libraries were prepared using the NEBNext Ultra RNA Library Prep Kit
461 for Illumina following manufacturer's instructions (NEB, Ipswich, MA, USA). Briefly, mRNAs were
462 first enriched with Oligo(dT) beads. Enriched mRNAs were fragmented for 15 minutes at 94 °C.
463 First strand and second strand cDNAs were subsequently synthesized. cDNA fragments were
464 end repaired and adenylated at 3'ends, and universal adapters were ligated to cDNA fragments,
465 followed by index addition and library enrichment by limited-cycle PCR. The sequencing libraries

466 were validated on the Agilent TapeStation (Agilent Technologies, Palo Alto, CA, USA), and quan-
467 tified by using Qubit 2.0 Fluorometer (Invitrogen, Carlsbad, CA) as well as by quantitative PCR
468 (KAPA Biosystems, Wilmington, MA, USA).

469 The sequencing libraries were clustered on 4 lanes of a flowcell. After clustering, the
470 flowcell was loaded on the Illumina HiSeq 4000 instrument according to manufacturer's instruc-
471 tions. The samples were sequenced using a 2x150bp Paired End (PE) configuration. Image
472 analysis and base calling were conducted by the HiSeq Control Software (HCS). Raw sequence
473 data (.bcl files) generated from Illumina HiSeq was converted into fastq files and de-multiplexed
474 using Illumina's bcl2fastq 2.17 software. One mismatch was allowed for index sequence identifi-
475 cation.

476 After investigating the quality of the raw data, sequence reads were trimmed to remove
477 possible adapter sequences and nucleotides with poor quality using Trimmomatic v.0.36. The
478 trimmed reads were mapped to the Homo sapiens GRCh38 reference genome available on EN-
479 SEMBL using the STAR aligner v.2.5.2b. The STAR aligner is a splice aligner that detects splice
480 junctions and incorporates them to help align the entire read sequences. BAM files were gener-
481 ated as a result of this step. Unique gene hit counts were calculated by using feature Counts from
482 the Subread package v.1.5.2. Only unique reads that fell within exon regions were counted.

483 **Analysis of gene expression profiles**

484 After extraction of gene hit counts, the gene hit counts table was used for downstream differential
485 expression analysis. Genome-wide RNA sequencing count data were processed and statistically
486 assessed using the DESeq2 package (v1.22.2) in R Software (3.6.0) (The R Foundation, 2019).
487 Count data were first filtered to include transcripts expressed above background, requiring the
488 median across samples to be greater than the overall median signal intensity, as implemented in
489 DESeq2. Count data were then normalized by median signal intensity using algorithms enabled

490 within DESeq2, resulting in variance stabilized expression values (Love et al., 2014). These nor-
491 malized values were used to carry out a principal component analysis (PCA) comparing data-
492 reduced global expression signatures across samples. Principal components were calculated and
493 visualized using the prcomp function in R (R-core, 2019). Heat maps were generated using
494 Partek® Genomics Suite Software (v7.18.0723) and gene-specific plots using GraphPad Prism
495 Software (v8.2.0)), based on normalized expression values.

496 **Statistical and gene set enrichment analysis of genes differentially expressed between** 497 **hTESCs and hTSCs**

498 Genes that showed the greatest difference in expression between the hTESCs and hTSCs were
499 identified using an analysis of variance analysis (ANOVA) comparing the normalized expression
500 levels between these two groups. Genes showing the greatest difference in expression between
501 the hTESCs and hTSCs were identified using the following statistical filters: (1) a false discovery
502 rate-corrected q-value < 0.05 (Storey, 2003), and (2) a fold change in expression (ratio of average
503 across hTESCs over hTSCs samples) $\geq \pm 1.5$. To evaluate the biological role of these genes, a
504 gene set enrichment analysis was carried out on the genes identified as significantly differentially
505 expressed between groups. Specifically, all Gene Ontology (GO) gene sets (n=9996) from the
506 Molecular Signature Database (MSigDB) (The Broad Institute, 2019) were queried for using the
507 right-tailed Fisher's Exact test, as enabled through the 'platform for integrative analysis of omics
508 data' (PIANO) package in R (Väremo et al., 2013). Gene sets were required to have an enrichment
509 p-value < 0.01 to be considered significant, consistent with previously published methods (Klaren
510 et al., 2019; Rager et al., 2019). Genes that were identified at higher expression levels were
511 evaluated separately from genes identified at significantly lower expression levels in hTESCs vs.
512 hTSCs.

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515 **Author contributions**

516 Conceptualization: AM and BR; Investigation: AM, VK, JM; Formal Analysis: AM, VK, BR, CC,
517 JR, RF; Data curation: AM, BR, JR; Resources: ASM; Writing – original draft: AM and BR; Writing
518 – review and editing: AM, BR, VK, JR, RF; Visualization: AM, VK, CC, JR; Project Administration:
519 BR; Funding Acquisition: BR and ASM

520 **Declaration of interests**

521 The authors declare no competing interests.

522 **Supplemental Information**

523 Document S1.pdf (contains Supplemental Figures S1-S5, Methods S1)

524 Tables S1-S4.xlsx (contains Supplemental Tables S1-S4)

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