

1 **Macrophages govern antiviral responses in human lung tissues protected from**
2 **SARS-CoV-2 infection**

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48 **HIGHLIGHTS**

49 • Mice engrafted with human fetal lung xenografts (fLX-mice) are highly susceptible to SARS-
50 CoV-2.

51 • Co-engraftment with a human myeloid-enriched immune system protected fLX-mice against
52 infection.

53 • Tissue protection was defined by a potent and well-balanced antiviral response mediated by
54 infiltrating macrophages.

55 • Protective IFN response was dominated by the upregulation of the USP18-ISG15 axis.

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73 **SUMMARY**

74 The majority of SARS-CoV-2 infections among healthy individuals result in asymptomatic to mild
75 disease. However, the immunological mechanisms defining effective lung tissue protection from
76 SARS-CoV-2 infection remain elusive. Unlike mice solely engrafted with human fetal lung
77 xenograft (fLX), mice co-engrafted with fLX and a myeloid-enhanced human immune system
78 (HNFL mice) are protected against SARS-CoV-2 infection, severe inflammation, and
79 histopathology. Effective control of viral infection in HNFL mice associated with significant
80 macrophage infiltration, and the induction of a potent macrophage-mediated interferon response.
81 The pronounced upregulation of the USP18-ISG15 axis (a negative regulator of IFN responses),
82 by macrophages was unique to HNFL mice and represented a prominent correlate of reduced
83 inflammation and histopathology. Altogether, our work shed light on unique cellular and molecular
84 correlates of lung tissue protection during SARS-CoV-2 infection, and underscores macrophage
85 IFN responses as prime targets for developing immunotherapies against coronavirus respiratory
86 diseases.

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99 **INTRODUCTION**

100 In December 2019, the emergence of coronavirus disease 19 (COVID-19), a new viral respiratory
101 disease (Zhu et al., 2020), created a public health emergency and economic disruption at an
102 unprecedented scale. As of July 6th, 2021, the etiologic agent of COVID-19, severe acute
103 respiratory syndrome coronavirus 2 (SARS-CoV-2), a β -Coronavirus from the *Coronaviridae*
104 family, has infected more than 183 million individuals and caused nearly 4 million deaths (WHO
105 COVID-19 Weekly Epidemiological Update; July 6th, 2021). The COVID-19 pandemic illustrates
106 the necessity of increasing our knowledge of *Coronaviridae* to better anticipate potential future
107 coronavirus pandemics.

108 Human immune correlates of severe COVID-19 disease have been intensively
109 investigated since the onset of the pandemic. A consensual model suggests that severe COVID-
110 19 is associated with profound dysregulation of host immune responses, which exacerbates
111 tissue damage and inflammation (Vabret et al., 2020). These dysregulations include disordered
112 T-cell effector function and lower mobilization (Wauters et al., 2021), lung enrichment in
113 hyperinflammatory monocytes, interstitial macrophages, and neutrophils (Rendeiro et al., 2021;
114 Wauters et al., 2021), low interferon (IFN) responses (Combes et al., 2021; Hadjadj et al., 2020),
115 increased production of autoantibodies (Bastard et al., 2020; Combes et al., 2021), extensive
116 complement activation (Ma et al., 2021), delayed neutralizing antibody responses (Lucas et al.,
117 2021) or/and dysfunctional tissue repair mechanisms (Delorey et al., 2021).

118 However, in young, healthy individuals, most SARS-CoV-2 infections result in
119 asymptomatic to mild disease (Nikolai et al., 2020; Wu and McGoogan, 2020), suggesting the
120 induction of protective immune responses against SARS-CoV-2. While understanding the
121 molecular basis of such protective responses could reveal major avenues for the development of
122 effective immunotherapies against COVID-19, conducting such studies has been hampered by
123 several roadblocks. Indeed, studies on patients with asymptomatic to mild infections carry ethical
124 limitations that restrict immunological sampling to the peripheral blood, bronchioalveolar fluid

125 (BALF), and nasopharynx, and these sampling strategies also contain critical constraints. For
126 example, peripheral blood only represents a subset of the immune responses occurring in the
127 respiratory tract upon infection, and BALF/nasopharynx swabs do not provide access to
128 histopathological and spatial information. Additionally, the interpretation of these studies is
129 confounded by several factors, including non-synchronized collection of tissues post-infection,
130 inter-individual variability and co-morbidities, differences in viral inoculum and route of infection,
131 and exposure to different viral strains.

132 The inherent ethical limitations associated with human studies highlights animal models
133 of infection as a valuable alternative to better understand the molecular mechanisms driving
134 COVID-19 disease and protection. Animal models not only provide increased control of
135 experimental settings, they also allow us to go beyond purely descriptive studies and to
136 experimentally challenge hypotheses. Non-human primates (NHPs), hamsters, and ferrets are
137 naturally susceptible to SARS-CoV-2 infection and have been instrumental in evaluating the
138 therapeutic potential and prophylactic efficacy of many antiviral countermeasures (Kim et al.,
139 2020; Sia et al., 2020; Singh et al., 2021; Tostanoski et al., 2020; Vogel et al., 2021). However,
140 these models have also demonstrated limitations for in-depth analysis of coronavirus
141 pathogenesis and immunity. COVID-19 mostly causes only subclinical disease in NHPs (Singh et
142 al., 2021), and the scarcity of proper reagents and the cost-prohibitive aspects of such studies
143 collectively limit the use of these animals for deep and comprehensive immunological
144 investigations.

145 In parallel, the large evolutionary divergence between humans and hamsters or ferrets,
146 manifesting in vastly different immune responses and lung environments, makes studies in these
147 animals unlikely to recapitulate the complex array of human-virus interactions that drive immune
148 responses to SARS-CoV-2. Similar limitations are present in murine models, as reported in mice
149 transgenically expressing or harboring a knock-in for the human orthologs of angiotensin-
150 converting enzyme 2 (ACE2), the cell entry receptor of SARS-CoV-1 and -2 (Carosino et al.,

151 2021; Jiang et al., 2020; Winkler et al., 2020; Zheng et al., 2021). Additionally, there are concerns
152 about the hyper-susceptibility to infection displayed by some of these models (Carossino et al.,
153 2021).

154 Mice harboring human tissue xenografts have been used to investigate a variety of
155 infectious diseases over the past three decades (Douam and Ploss, 2018). Recently, mice
156 engrafted with human fetal lung xenografts (fLX) were successfully infected with several
157 coronaviruses including SARS-CoV-2 (Wahl et al., 2019; Wahl et al., 2021). However, the
158 potential of these models to dissect human hematopoietic responses to SARS-CoV-2 has not
159 been explored. Here, we harnessed fLX-engrafted mice, engrafted or not with human
160 hematopoietic components, to identify immunological correlates of lung tissue protection (i.e.
161 protection from viral infection, and from lung tissue damage) from SARS-CoV-2 infection.
162 Immunodeficient NOD-*Rag1*^{-/-}*IL2Ry*^{NUL} (NRG) mice, or NRG-*Flik2*^{-/-}-*Filt3LG* mice (Douam et al.,
163 2018) engrafted with components of a human immune system, were engrafted with pairs of fLX,
164 yielding NRG-L and HIS-NRGF/Filt3LG-L (referred to as HNFL) mice, respectively. Viral
165 inoculation of fLX in NRG-L mice resulted in robust type-I IFN responses and prolonged
166 inflammation, which associated with persistent infection and severe histopathology. In contrast,
167 HNFL mice were able to control SARS-CoV-2 infection without exhibiting severe inflammation
168 and histopathology. Protection in HNFL mice was associated with significant macrophage
169 infiltration and by the induction of a strong macrophage-mediated IFN response, which was
170 dominantly characterized by the upregulation of the USP18-ISG15 axis – a negative regulator of
171 type I IFN responses and ISGylation (Basters et al., 2018). The USP18-ISG15 upregulation was
172 unique to HNFL mice and was a prominent correlate of limited histopathology and inflammation.
173 Altogether, our work sheds light on the crucial role of macrophage infiltration and macrophage-
174 mediated immunoregulations in driving effective and balanced antiviral and anti-inflammatory
175 responses during SARS-CoV-2 infection, and provides new evidence that dysregulation of
176 macrophage responses can contribute to severe COVID-19 disease. Our work highlights

177 macrophage-mediated IFN responses as promising targets for the development of
178 immunotherapies against COVID-19 and other severe respiratory viral diseases.

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180 **RESULTS**

181 **Human fetal lung xenografts display heterogeneously mature epithelia and resident**
182 **hematopoietic lineages upon engraftment in NRG mice.**

183 Ten to fifteen-week-old male and female NOD-*Rag1*^{-/-}*IL2Rγ*^{NULL} (NRG) mice were surgically
184 implanted subcutaneously with two pieces of fLX, one on each side of the animal's thoracic body
185 wall (**Figure S1A**). Following engraftment, all animals were healthy and displayed palpable and
186 macroscopically noticeable fLX on both sides of their body (**Figure S1A,B**). Macroscopic and
187 histological analysis illustrated interstitial infiltration of fLX by murine blood vessels with retention
188 of human vasculature (**Figure S1C-E**). Cells appeared histologically normal without any evidence
189 of degeneration and/or necrosis that would be suggestive of tissue ischemia or hypoxia (**Figure**
190 **S1F-M**). The fLX were characterized by sporadic regions of conducting zone differentiation
191 evidenced by the presence of bronchioles and hyaline cartilage, as well as more abundant and
192 heterogenous stages of respiratory zone development, which included combinations of pseudo
193 glandular, canalicular, and saccular phenotypes (**Figure S1F-M**). Different stages of fetal lung
194 maturation were associated with differential expression of ACE2, prosurfactant protein C
195 (SFTPC), an alveolar type 2 (AT2) pneumocyte differentiation marker, and human specific CD31
196 (blood vessel marker) (**Figure S1F-M**). Regions with a more immature phenotype (pseudo
197 glandular) were associated with the highest immunoreactivity for these three antigens, while more
198 mature stages of fetal development (canalicular and saccular) had decreased expression (**Figure**
199 **S1F-M**). In regions of respiratory zone differentiation, ACE2 expression was primarily restricted
200 to cells concurrently expressing SFTPC, consistent with AT2 pneumocyte origin. ACE2 was also
201 observed along the apical surface of the bronchiole epithelium, which lacked SFTPC expression.
202 To further characterize the cellular composition of the fLXs, we performed single-cell (sc) RNA

203 sequencing. The human cellular compartment represented 67.14% of the total fLX
204 (mouse+human cells) and was mainly composed of cells from the epithelial lineage (50.01% of
205 the human compartment; **Figure 1A-D**), specifically AT1, AT2, club cells, and ciliated cells
206 (**Figure 1A,C; Supplemental Item 1**). Strikingly, we also detected a human resident
207 hematopoietic compartment in fLX (13.26%) which was composed of a myeloblast progenitor
208 cluster (c-kit⁺ SRGN⁺ CD14⁺ HPGD⁺; 3.13%) and a lymphoid cluster with cytotoxic functions
209 (CD8⁺ T cells and/or NK cells; 10.13%). These findings were confirmed by flow cytometry (**Figure**
210 **S2A-D**). As expected, the mouse compartment in fLX was mainly composed of cells from the
211 myeloid lineages (82.26% rep.) (**Figure 1B,D**). Altogether, our findings unravel the complex
212 cellular composition of fLX, which extends beyond the human pulmonary epithelial compartment.

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214 **Persistent SARS-CoV-2 infection in NRG-L mice following fLX inoculation.**

215 Ten to fifteen weeks post-engraftment, the NRG-L mice were inoculated with a SARS-CoV-2
216 clinical isolate (USA-WA1/2020 isolate) at a viral dose of either 10^4 or 10^6 plaque forming units
217 (PFU). To evaluate the possibility of fLX-to-fLX viral transfer through the peripheral blood, some
218 animals were inoculated only in a single fLX. Non-inoculated fLX from non-infected and infected
219 animals are hereafter referred to as “naïve” and “contralateral” fLX respectively. Over the course
220 of infection, NRG-L mice did not display any signs of clinical disease, maintained their weight,
221 and had no significant alterations in body temperature (**Figure S2E-F**). SARS-CoV-2 inoculation
222 resulted in the development of gross abnormalities in fLX (**Figure S2H**), which contrasted with a
223 white homogenous appearance of contralateral fLX.

224 Immunoreactivity to SARS-CoV-2 nucleocapsid (N) in inoculated fLX was observed in a
225 dose dependent manner, with more abundant viral antigen observed in fLX inoculated with the
226 10^6 dose as compared to 10^4 dose (**Figure 1E,H,K; Figure S2I-O**). When challenged with 10^6
227 PFU, viral antigen was concentrated in pneumocytes and bronchiole epithelium at 2 days post

228 inoculation (DPI) (**Figure 1H; Figure S2N,P**), although at 7DPI it was mainly found in necrotic
229 debris within the airspaces (**Figure 1K; Figure S2O**). Infection appeared to be cleared at 7DPI
230 for the 10^4 PFU dose (**Figure S2K,L**). These findings were supported by 5-color fluorescent
231 imaging (DAPI, SARS-CoV-2 Spike, CD31, CD61, CD68) (**Figure 1F,G,I,J,L,M**), which also
232 showed an increase of platelet rich thrombi in infected fLX at 7DPI, a feature consistent with
233 previous studies in human and non-human primates (Aid et al., 2020; Mackman et al., 2020).

234 RT-qPCR quantification of viral RNA (E gene) was consistent with immunohistochemistry
235 (IHC) findings (**Figure 1N-O**). Although RT-qPCR suggested that low levels of viral RNA were
236 present in contralateral fLX, SARS-CoV-2 N immunoreactivity was never observed in contralateral
237 fLX (**Figure S2Q**). Quantification of infectious viral particles at 2DPI and 7DPI supported evidence
238 of productive infection in fLX, with detection of infectious viral particles at both time points in
239 infected fLX. No infectious viral particles were detected in contralateral fLX (**Figure 1P**)
240 suggesting that limited amount of viral RNA but not infectious viral particles may transfer between
241 fLX through the blood. However, no viral RNA was detected in the peripheral blood at any time
242 point (**Figure S2R**) further strengthening evidence that the amount of circulating viral RNA
243 transferring between fLX is probably very low.

244 We found a positive non-linear regression between viral load and PFU in infected fLX
245 ($R^2=0.675$) (**Figure 1Q**). Using these data, we identified that viral loads in excess of a threshold
246 of 10^7 RNA copies/mg tissue (i.e. productive infection threshold or PIT) were indicative of
247 productive infection.

248 To further confirm evidence of productive infection in NRG-L fLX, we performed planar
249 and 3D *in vivo* bioluminescence imaging on NRG-L mice inoculated with a recombinant SARS-
250 CoV-2 expressing NanoLuc luciferase (Xie et al., 2020). The NanoLuc bioluminescent signal was
251 readily detectable in inoculated fLX mice as early as 2DPI (**Figure 1R,S; Figure S2S-T**;
252 **Supplemental Item 2**) but not contralateral grafts (**Figure 1R-T; Figure S2S,T**), which was
253 consistent with our findings above. Most importantly, SARS-CoV-2 replication was maintained in

254 single animals for up to 12DPI. Altogether, our findings demonstrate that fLX support productive
255 and persistent SARS-CoV-2 infection.

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257 **Persistent infection in NRG-L mice associates with extensive histopathological
258 manifestations.**

259 To capture the heterogeneity and severity of histologic phenotypes observed in SARS-CoV-2
260 infected fLX, we developed a semi-quantitative ordinal scoring (**see methods**). The mean
261 cumulative histologic score in animals inoculated with 10^6 PFU was 1.76-fold higher at 2 DPI and
262 2.22-fold higher at 7 DPI compared to those inoculated with 10^4 PFU, indicating a positive
263 correlation with the viral load and SARS-CoV-2 N positivity. (**Figure 2A; Figure S3A**). Therefore,
264 we elected to pursue all subsequent analysis of SARS-CoV-2 infected fLX using the 10^6 dose,
265 which when compared to naïve fLX, resulted in an increasing histopathological score over time
266 (**Figure 2B; Figure S3B**). Notably, neutrophil influx, intra-airspace necrosis, capillary fibrin
267 thrombi, and presence of syncytial cells were the most significant independent observations that
268 contributed to the increased cumulative score. Of note, tissue integrity and architecture between
269 naïve and contralateral fLX was similar. Therefore, this histopathological analysis, both naïve
270 and fLX were pooled together to define the histopathological baseline (**Figure 2B, Figure S3B**).

271 Histopathologic findings were observed in all SARS-CoV-2 inoculated fLX, ranging from
272 mild focal to severe generalized disease (**Figure 2C-K**). Examination of serial sections confirmed
273 that histologic lesions predominated in areas with SARS-CoV-2 N immunoreactivity. At 2DPI,
274 affected terminal airspaces were infiltrated by neutrophils (**Figure 2C**), with variable amounts of
275 edema (**Figure 2D, E**), denuded epithelial cells (**Figure 2F**), coagulative necrosis (**Figure 2I**) and
276 hemorrhage (**Figure 2J**). In areas of severe neutrophilic inflammation, increased numbers of
277 mitotic figures were observed in pneumocytes supportive of active regeneration (**Figure 2C**), with
278 concurrent pneumocyte degeneration represented by cytoplasmic swelling and vacuolation.
279 Capillaries and intermediate-sized arterioles and arteries were multifocally occluded by fibrin

280 thrombi (**Figure 2E, I**). Similar features to those were observed at 7DPI, but airspaces were more
281 frequently filled with abundant necrotic cellular debris (**Figure 2J**), and in one fLX, a distinctive
282 hyaline membrane lining pneumocytes could also be observed (**Figure 2K**).

283 Transgenic C57BL/6 mice expressing human ACE2 under the control of the cytokeratine-
284 18 promoter (K18-hACE2) have been reported to be highly susceptible to SARS-CoV-2 (Winkler
285 et al., 2020). Inoculation of K18-hACE2 mice with 10^6 PFU of SARS-CoV-2 using the same viral
286 stock resulted in multifocal interstitial pneumonia and abundant SARS-CoV-2 S antigen within
287 AT1 and AT2 cells at 2 DPI and increased interstitial histiocyte and lymphocyte infiltrates at 7DPI
288 (**Figure S3C-N**). Although we have recently confirmed that infection with the same viral stock of
289 SARS-CoV-2 was lethal in this model (Carossino et al., 2021), we were unable to observe in this
290 model the diversity and severity of lung histopathological features observed in inoculated fLX,
291 including syncytia, necrosis, microthrombi, and hemorrhage. Taken together, our findings indicate
292 that fLX inoculated with SARS-CoV-2 more faithfully recapitulate several features of diffuse
293 alveolar damage (DAD) as described in cases of severe COVID-19 disease.

294 Ultrastructural analysis of fLX infected with 10^6 PFU supported our virological and
295 histopathological findings. Virus particles were observed within AT2 pneumocytes at various
296 stages of maturation and were often confined to double membrane bound vesicles (DMVs), with
297 morphology and particle size consistent with previously described coronaviruses (range 80-
298 130nm in diameter) (Laue et al., 2021) (**Figure 2L-N**). Potential single-particle budding events
299 (**Figure S4A**) and viral particle phagocytosis by macrophages (**Figure 2O**) were observed. At
300 7DPI, airspaces were filled with abundant necrotic cellular debris including lamellar bodies,
301 erythrocytes, neutrophils and denuded AT2 pneumocytes (**Figure 2P; Figure S4B-D**), which
302 were occasionally undergoing apoptosis as indicated by the presence of pyknotic nuclei (**Figure**
303 **S4C**). DMV-containing viral particles and electron-dense viral replication centers were still
304 observed at 7DPI, suggesting persistence of active viral replication (**Figure 2Q-T, Figure S4E**).
305 Faint Spike protein coronal surface projections were sometimes visible within DMVs (**Figure 2T**).

306 Blood vessels also contained aggregates of platelets (**Figure 2U**) with several small to
307 intermediate-sized arteries occasionally occluded by fibrin thrombi (**Figure S4F**). Altogether, our
308 data demonstrate that SARS-CoV-2 infection of NRG-L mice is associated with the development
309 of cellular and histopathological features that resemble those observed in the lungs of severe
310 COVID-19 patients.

311

312 **Type-I IFN response and persistent inflammation in infected fLX of NRG-L.**

313 COVID-19 has been associated with prolonged inflammation (Blanco-Melo et al., 2020; Rendeiro
314 et al., 2021; Wauters et al., 2021). To further establish the relevance of fLX to recapitulate features
315 of SARS-CoV-2 in the human lung, we examined the transcriptomic and proteomic signatures
316 associated with persistent infection and histopathology. mRNA sequencing yielded mostly human
317 mRNAs; samples with less than 15 million human-aligning reads and/or less than 75% human
318 reads were excluded from further analysis (n=3 out of 19) (**Figure S5A**). As expected, viral RNA
319 was detectable in all inoculated fLX but was more prominently detected in 2DPI samples (**Figure**
320 **S5B**). Differential expression analyses of human mRNA levels in naive versus 2DPI, 7DPI, and
321 contralateral samples showed evidence of induction of antiviral host responses (**Figure 3A-D**;
322 **Figure S5C-D; Supplemental Item 3**). A strong type I IFN response was observed at 2DPI, which
323 included transcripts for IFNB1 and L1 as potential drivers of both local and systemic response
324 (**Figure 3A,D; Figure S5C-E**). Chemokines previously reported to be upregulated in severe
325 COVID-19 patients, such as CXCL9, CXCL10 and CXCL11 (Li et al., 2020; Wauters et al., 2021)
326 were also highly upregulated at 2DPI (**Figure 3A**). At 7DPI, the robust IFN response in inoculated
327 fLX had subsided (**Figure 3B,D; Figure S5C-E**), but chemokine responses remained evident,
328 highlighting a sustained inflammatory phenotype at the site of infection. Notably, evidence of an
329 IFN systemic response was seen in the contralateral graft at 7DPI (**Figure 3C,D; Figure S5C,D**),
330 despite no evidence of viral replication (**Figure 1P**), providing evidence of transmission of antiviral
331 signals or pathogen-associated molecular motifs (i.e. viral RNA) to contralateral grafts via the

332 peripheral blood. Further, chemokine mRNAs were not upregulated in contralateral grafts (**Figure**
333 **3C**), underscoring a link between viral infection, high chemokine expression, persistent
334 inflammation and histopathology. A QIAGEN Ingenuity Pathway Analysis (IPA) supported
335 evidence of prolonged inflammation in inoculated but not in contralateral NRG-L fLX (**Figure 3E**),
336 as many processes involving pro-inflammatory cytokines and mediators (IL-2, IL-7, IL-17,
337 chemokine signaling, T-cell signaling pathways, etc.) were only observed in inoculated fLX.
338 Notably, IPA suggested a key role of the human resident hematopoietic compartment in these
339 inflammatory processes.

340 Proteomic analysis were consistent with our transcriptomic findings, and revealed the
341 induction of a canonical, robust type I IFN response at 2DPI which resolved at 7DPI (**Figure 3F-**
342 **I; Figure S5F-H; Supplemental Item 4**). We could not however detect any upregulation of IFNB1
343 and IFNL1 or CXCL9-11, as mass spectrometry is known to be a suboptimal method for
344 quantifying cytokine and chemokine expression. Phospho-proteomic signatures also supported
345 the induction of type-I IFN responses (**Figure S6; Supplemental Item 5**), especially at 2DPI and
346 suggested an interesting link between SARS-CoV-2 infection and PML-nuclear bodies (PML-
347 NBs). Phosphorylation of PML-NBs associated proteins SP100 and SP110 was significantly
348 increased at both 2DPI and 7DPI (**Figure S6C,D**), both of which have been previously identified
349 as antiviral restriction factors (Sengupta et al., 2017; Stepp et al., 2013). Two IFN-induced
350 proteins, XAF1 and SAMHD1, showed significant increases in phosphorylation at both 2DPI and
351 7DPI.

352 Altogether, persistence of SARS-CoV-2 replication and severe histopathology associates
353 with prolonged inflammation, as well as with resolving an ineffective ISG responses in NRG-L
354 mice.

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358 **fLX in HNFL mice have increased human hematopoietic reconstitution.**

359 As we hypothesized that a major cause of the inability of fLX to effectively control infection was
360 the lack of critical hematopoietic effectors able to strengthen and balance antiviral responses, we
361 decided to investigate whether a mature human hematopoietic compartment in fLX would protect
362 fLX from infection. Although human hematopoietic stem cell (HSC) engraftment in NRG mice has
363 been shown to result in robust human lymphoid chimerism, myeloid lineages and NK cell
364 frequencies remain low, which impairs antiviral innate immune responses and T-cell mediated
365 immunity (Douam et al., 2018). Addressing these caveats, we previously reported that NRG mice
366 with a targeted disruption of fetal liver kinase 2 expression (NRG-Flk2^{-/-} or NRGF) display a
367 selective expansion of the human myeloid and NK cell compartment upon adenovirus-mediated
368 delivery of human FMS-related receptor tyrosine kinase 3 ligand (hFlt3LG), the ligand of Flk2
369 (Douam et al., 2018). We found that these mice were able to mount enhanced innate and T-cell
370 responses against the yellow fever vaccine strain 17D (Douam et al., 2018). Therefore, we aimed
371 here to engraft NRGF mice with pairs of fLX similarly to NRG mice, prior to injection of allogeneic
372 human hematopoietic stem cells 3-5 weeks post fLX engraftment (**Figure 4A**).

373 Twelve to sixteen weeks post HSC engraftment, we injected mice with 2x10¹¹ copies of
374 adeno-associated virus (AAV) encoding for hFlt3LG to promote expansion of the myeloid
375 compartment (yielding HIS-NRGF/Flt3LG-L, or HNFL), and analyzed the human hematopoietic
376 reconstitution of fLX 14 days post AAV injection. Using flow cytometry, we found that frequencies
377 of human CD45⁺ were significantly increased in fLX of HNFL in comparison to NRG-L mice
378 (**Figure 4B**). Single-cell RNA sequencing (scRNAseq) confirmed an increased frequency of
379 overall human cells in fLX of HNFL mice (84.25% v. 67.14% in NRG-L) (**Figure 4C**), and this
380 increase was haematopoietically mediated (48.41% human hematopoietic cells v. 51.59% non-
381 hematopoietic; 13.26% v. 86.74% in NRG-L) (**Figure 4D**). The lung epithelial compartment
382 remained intact in fLX of HNFL upon HSC engraftment, with an AT2 sub-compartment
383 encompassing 50.2% of total epithelial subsets vs. 47.7% in fLX from NRG-L mice (**Figure 4E**;

384 **Supplemental Item 1).** Human T-cell and NK cells represented the largest cellular compartment
385 in fLX of HNFL mice (46.65% of all lineages/subsets) (**Figure 4F,H**). Consistent with the lack of
386 Flk2 expression, the mouse myeloid compartment in fLX of HNFL was reduced (15.75%) over
387 NRG-L mice, and was mainly composed of monocytes, mast cells and macrophages subsets
388 (**Figure 4C,G,I**). We identified alveolar macrophages (1.76%) as the sole human myeloid subset
389 in fLX beyond lymphoid subsets (**Figure 4F; Figure S7A**). We found that the presence of
390 macrophages was a defining characteristic of the fLX HNFL when compared to NRG-L mice, as
391 back-to-back proteomic analysis of naïve fLX between NRG-L and HNFL showed significant
392 upregulation of many macrophage markers such as HCK, SLC9A9, and CD163 (**Figure S7B**).
393 Consistently, quantification of CD68⁺ cells using 6-color imaging and quantitative image analysis
394 confirmed the significantly higher engraftment of fLX for CD68⁺ macrophages in HNFL mice
395 (**Figure S7C**). The majority of CD68⁺ cells were located within airspaces, but were also observed
396 in the interstitium (**Figure 5A-C**). Altogether, our findings show that the HNFL model represents
397 a promising platform to explore the role of the human myeloid compartment in regulating SARS-
398 CoV-2 infection in the human lung.

399

400 **fLX in HNFL mice are protected from SARS-CoV-2 infection.**

401 In striking contrast to NRG-L mice, inoculation of HNFL fLX with SARS-CoV-2 (10⁶ PFU) one-
402 week post AAV-Flt3LG injection resulted in the absence of productive infection, as assessed by
403 low to no SARS-CoV-2 Spike immunoreactivity (**Figure 5A-I**) and by the detection of viral RNA
404 copies per mg of tissues significantly below PIT (**Figure 5J**). Importantly, the lack of Flk2
405 expression did not affect fLX susceptibility to infection (**Figure S7D**), underscoring that the
406 protective phenotype was not mediated by a reduced mouse myeloid compartment. Despite very
407 limited infection events, spike antigen distribution in HNFL mirrored that observed with NRG-L
408 mice, confined to the cytoplasm of viable-looking AT2 pneumocytes and bronchiole epithelium

409 (Figure 5E,H), but with little to no discernible cytopathic effect or neighboring intra-airspace
410 necrosis.

411 Consistently, cumulative histology scores were significantly decreased in HNFL mice at
412 2DPI ($p=0.01$) and 7DPI ($p=0.0002$) when compared to NRG-L (Figure 5K; Figure S7E). HNFL
413 fLX mice showed decreased syncytial cells and intra-airway necrosis at 2DPI and 7DPI,
414 respectively when compared to NRG-L fLX. Hemorrhage and influx of neutrophils were also
415 significantly decreased at both 2DPI and 7DPI for HNFL fLX compared to NRG-L fLX.

416 Taken together, these findings suggest that human hematopoietic engraftment in HNFL
417 may promote an effective host response in fLX that prevents the establishment of persistent
418 SARS-CoV-2 infection, and protects tissues from diffuse alveolar damage.

419

420 **HNFL mice mount a potent and balanced type I IFN response against SARS-CoV-2.**

421 Human CD45⁺ frequency (Figure 5L) and human T cell, B cell, and CD56⁺ normalized cell counts
422 significantly increased in fLX of HNFL mice following virus infection (Figure 5M-Q; Figure S7F),
423 supporting evidence of successful viral inoculation despite effective control of viral replication.
424 Consistently, a striking feature of comparative 6-color immunostaining before and after infection
425 was the formation of CD20⁺ B cell lymphoid aggregates post infection (Figure 5F,I).

426 To provide further evidence of active host responses, we conducted proteomic analysis of
427 HNFL fLX cell lysates prior to and after infection. Proteomic analysis revealed that in HNFL fLX,
428 infection resulted in the induction of a significant type I IFN response at 2DPI, notably
429 characterized by the upregulation of ISG15, USP18, IFIT1, IFIT3, and MX1-2 (Figure 5R;
430 **Supplemental Item 6**). Notably, side by side proteomic analysis at 2DPI indicated that HNFL fLX
431 displayed a stronger upregulation of a broad set of ISGs in comparison to NRG-L fLX (Figure
432 5S), including USP18, OAS1-3, ISG20, IFIH1, IFIT2-3, DDX58, IFIT5, or IFI44L. Consistently,
433 SARS-CoV-2 N was upregulated in NRG-L fLX but not in HNFL fLX. A striking and specific feature
434 of the proteomic response in HNFL fLX was that it was dominated by the upregulation of the

435 USP18-ISG15 axis, unlike NRG-L fLX, which did not display any significant USP18 upregulation
436 (**Figure 5T-U**). USP18 is the main ISG15 isopeptidase and a well-known inhibitor of type I IFN
437 signaling (Honke et al., 2016). ISG15 is known to promote USP18-mediated inhibition of type I
438 IFN signaling by stabilizing USP18 activity and preventing its proteasomal degradation (Zhang et
439 al., 2015), underscoring the role of ISG15 as a negative regulator of type I IFN responses when
440 co-upregulated with USP18. Consistent with the function of the USP18-ISG15 axis, phospho-
441 proteomic analysis confirmed that STAT1 was significantly phosphorylated in NRG-L, but not in
442 HNFL fLX (**Figure S7G,H; Supplemental Item 7**). Bulk transcriptomic analysis of HNFL fLX at
443 2DPI confirmed significant upregulation of the USP18-ISG15 axis (FDR=6.69e-235 and 0,
444 respectively), as well as the strong upregulation of many other ISGs such as RSAD2, IFI44/L,
445 OAS1, MX1-2, IFI6, LYE6 (FDR=0) (**Figure 5V**). Unlike NRG-L fLX, no chemokines were among
446 the top upregulated hits (Log2FC \geq 0.2 and FDR \leq 1e-200). IFNB1/L1 was not detectable likely due
447 to the already extensive viral clearance observed at 2DPI.

448 Of note, SFTPC was the most downregulated transcript at 2DPI (-0.9 Log2FC;
449 FDR=4.42e-232). This finding is consistent with previous studies reporting a loss of AT2
450 program/compartment upon SARS-CoV-2 infection (Delorey et al., 2021), and further supports
451 the relevance of the HNFL mouse model to study immune correlates of protection against SARS-
452 CoV-2. At 7DPI, ISG and SFTPC (-0.5 Log2FC; FDR=1e-109) were found to be returning to naïve
453 fLX expression levels (**Figure S7I**), which is consistent with the rapid resolution of infection of fLX.

454 Altogether, the superior ISG upregulation and absence of a strong proinflammatory
455 response observed in HNFL fLX in comparison to NRG-L fLX underscores a robust association
456 between effective control of viral infection and limited histopathology, and the development of a
457 potent and balanced antiviral response against SARS-CoV-2 infection.

458

459

460

461 **Macrophages activate and differentiate upon SARS-CoV-2 infection in HNFL fLX.**

462 Finally, we used scRNASeq to define which cellular compartment(s) mediate this potent ISG
463 response associated with tissue protection. scRNASeq analysis confirmed significant
464 hematopoietic infiltration in HNFL fLX at 2DPI (78.89% human cell vs. 48.41% in naïve fLX) and
465 progressive resorption of such infiltration by 7DPI (68.52% human cells) (**Figure 6A-E**;
466 **Supplemental Item 1**). The major subsets mediating hematopoietic expansion in infected fLX
467 were macrophages (Naïve, 1.76%; 2DPI, 18.39%; 7DPI, 20.49%) and B-cells (Naïve, 0%; 2DPI
468 7.24%; 7DPI, 3.31%) (**Figure 6F**). Consistent with our findings above, the size of the AT2 sub-
469 compartment within the epithelial compartment was reduced at 2DPI (12.7%) but restored at 7DPI
470 (45.5% vs. Naïve, 50.2%) (**Figure 6G**), supporting evidence for the successful resolution of
471 infection and progressive restoration of tissue homeostasis. Given the significant increase in
472 macrophages in infected fLX and their known functions in controlling viral infection, we decided
473 to focus our dataset analysis on this cellular compartment. At 2DPI, we identified two differentially
474 polarized CD14⁺ CD68⁺ activated macrophage subsets; one had a pro-inflammatory phenotype
475 (herein referred to as activated inflammatory macrophages, [AIM]) defined as CD14⁺ CD68⁺ IL1 β ⁺
476 and which displayed moderate ISG expression and low IL10 expression. The other had a
477 regulatory phenotype (subsequently referred to as activated regulatory macrophages, [ARM])
478 defined as CD14⁺ CD68⁺ IL1 β ⁺ C1QA⁺ and which displayed high ISG and moderate IL10
479 expression (**Figure 6H-I**). Similar macrophage subsets were observed at 7DPI (**Figure S7J**).
480 Activated macrophage clusters were significantly associated with moderate expression of several
481 chemokines at 2DPI, including CCL2-4, CCL8 and CXCL10 which was consistent with monocyte
482 recruitment and macrophage infiltration into fLX upon infection. Expression of CCL13 and CCL18,
483 considered to be pro- and anti-inflammatory chemokines, respectively, (Mendez-Enriquez and
484 Garcia-Zepeda, 2013; Schraufstatter et al., 2012), were significantly associated with the ARM
485 cluster only, underscoring the role of ARM as a major regulatory subset.

486

487 **Activated macrophages mediate potent IFN-mediated antiviral responses against SARS-
488 CoV-2.**

489 When analyzing the cellular distribution of top upregulated ISGs from our proteomic and
490 transcriptomic HNFL datasets at 2DPI, we found that activated macrophages ubiquitously
491 expressed every single ISG examined (n=15) (**Figure 6J; Figure S7K**), and were the dominant
492 source of expression of these ISGs across the entire fLX human compartment (**Figure 6K**). Some
493 of these ISGs, including ISG15, IFI6, LY6E and IFIT1-3, displayed levels of expression that
494 statistically associated with activated macrophage clusters (**Figure 6J, K**). Importantly, activated
495 macrophages also represented the dominant source of USP18-ISG15 co-expression (**Figure 6L**)
496 strengthening their key role in regulating antiviral responses during infection. Strikingly, activated
497 macrophage clusters across both time points (n=5) were found to be the major carriers of viral
498 RNA ($p=0.001$) versus all other clusters (n=24), suggesting a potential association between the
499 dominant macrophage-mediated ISG response (**Figure S7L**) and direct activation by viral RNA.

500 Altogether, our findings highlight infiltrating macrophages as the central mediator of the
501 potent and well-balanced protective IFN response at play in HNFL fLX, and suggest that direct
502 activation by viral RNA might be a key element triggering that process.

503

504 **DISCUSSION**

505 For the majority of healthy individuals below middle age, COVID-19 remains a mild to
506 asymptomatic disease (Nikolai et al., 2020; Wu and McGoogan, 2020). Despite this, most studies
507 have focused on immunological processes driving severe COVID-19 cases, using data from
508 human patients (Delorey et al., 2021; Rendeiro et al., 2021). To enhance our understanding of
509 the cellular and molecular mechanisms driving protective immune responses in the respiratory
510 tract of asymptomatic and mild COVID-19 patients, investigations need to go beyond human
511 patient studies due to their inherent limitations.

512 Immunodeficient mice engrafted with fLX have been previously reported to be highly
513 permissive to coronavirus infection (Wahl et al., 2021). Such *in vivo* platforms carry substantial
514 advantages over other *in vivo* models (including humans) in a way that enables investigations into
515 coronavirus infection within a human lung environment over time and in controlled experimental
516 settings. However, given our common understanding that the quality of immune responses during
517 SARS-CoV-2 infection defines disease outcome, the lack of significant human hematopoietic
518 reconstitution in these models has precluded their use for investigating human immune responses
519 against coronavirus infection. Here, we report that NRG-L mice singly engrafted with fLX are
520 highly susceptible to SARS-CoV-2 infection. Inoculated fLX were prone to extensive inflammation,
521 which associated with severe histopathological manifestations of disease. In sharp contrast, co-
522 engraftment of fLX and human HSC in HNFL mice resulted in protection against SARS-CoV-2
523 infection, as well as limited inflammation and histopathology.

524 Protection associated with the induction of a superior ISG response in HNFL mice as
525 compared to NRG-L mice, which was dominated by the upregulation of the USP18-ISG15 axis –
526 a unique feature of inoculated HNFL fLX. USP18-ISG15 upregulation correlated with the absence
527 of prolonged inflammation and severe histopathology, consistent with its role as a negative
528 regulator of antiviral responses. Inoculation of HNFL fLX with SARS-CoV-2 induced a significant
529 infiltration of macrophages in fLX. We identified infiltrating activated macrophages as the
530 dominant mediator of the prominent type I IFN response observed in infected fLX, as well as the
531 major compartment co-expressing USP18 and ISG15. Finally, we also identified activated
532 macrophages to be the primary carriers of viral RNA. Altogether, our work highlights lung
533 infiltrating macrophages as a multi-faceted hematopoietic subset mediating front-line antiviral
534 responses against SARS-CoV-2 while also safeguarding lung tissue integrity. Our findings
535 provide unique molecular correlates of lung tissue protection during SARS-CoV-2 infection, and
536 propose a unique model in which macrophage-mediated ISG responses would promote a

537 systemic antiviral response against SARS-CoV-2, and tight control of these responses via the
538 USP18-ISG15 axis would prevent excessive inflammation and severe histopathology.

539 Our study suggests a working model (**Figure 7**) in which lung resident macrophages (e.g.
540 alveolar macrophages) would become locally activated upon detection of SARS-CoV-2 RNA, and
541 activation would promote monocyte infiltration via regulated secretion of specific inflammatory
542 chemokines (CCL2/4/8, CXCL10). Monocyte infiltration would be followed by macrophage
543 differentiation, activation, and polarization toward inflammatory and regulatory phenotypes. These
544 two subsets of macrophages would then promote a systemic antiviral state across the epithelial
545 compartment in a coordinated fashion, enabling rapid suppression of viral spread and replication.
546 The USP18-ISG15 axis would tightly control those responses in order to protect the tissue from
547 excessive inflammation. In contrast, in NRG-L mice, the pro-inflammatory response mediated by
548 resident human macrophages following detection of viral RNA would remain a “call in the dark.”
549 Indeed, the absence of human hematopoietic engraftment in NRG-L mice preclude the possibility
550 for any human monocyte recruitment into the fLX, therefore preventing the induction of a stronger,
551 systemic antiviral response that could rapidly and effectively clear infection. Additionally, the
552 absence of infiltrating macrophages would allow the initial inflammatory response to go
553 unhindered between the resident human lymphoid and myeloid compartment of the fLX,
554 promoting diffuse alveolar damage and other histopathological manifestations of disease while
555 further dampening effective antiviral responses. This model is supported by our observation of
556 the antiviral responses in contralateral fLX. While contralateral fLX mounted a robust type I IFN
557 response, they did not display any histopathological manifestations of disease and prolonged
558 inflammation. This finding is consistent with the idea that fLX resident cells need to come in
559 contact with a sufficient amount of infectious viral particles or viral RNA to trigger a damaging
560 inflammatory loop. In the case of the contralateral grafts, the amount of viral RNA transferring
561 from the inoculated graft was likely too low.

562 The resemblance between the histopathological manifestations observed in NRG-L fLX
563 and those observed in severe COVID-19 patients suggest that NRG-L may indirectly recapitulate
564 important disease mechanisms occurring in such patients. Macrophage excessive pro-
565 inflammatory responses have been hypothesized to be an important driver of COVID-19 disease
566 progression (Grant et al., 2021; Merad and Martin, 2020; Rendeiro et al., 2021; Wauters et al.,
567 2021). Therefore, it is conceivable that the human macrophage-mediated prolonged
568 inflammation, and/or the absence of effective regulation of inflammation by infiltrating
569 macrophages in NRG-L, act as a surrogate of the immunological dysregulations observed in
570 severe COVID-19 patients. As our understanding of how macrophages contribute to COVID-19
571 disease in humans so far is largely speculative, further work is now needed to experimentally
572 challenge and validate our working model, which will be the focus of our follow-up studies. Our
573 HNFL model opens up unprecedented avenues to do so, and to evaluate specifically the impact
574 of macrophages on viral replication, inflammation, and histopathology in a human tissue context
575 and in controlled experimental settings. Such future investigations could lay the groundwork for
576 the development of innovative macrophage-targeting immunotherapies against viral respiratory
577 diseases.

578 Consistently with our working model, several studies have reported the susceptibility of
579 monocyte-derived macrophages or alveolar macrophages to SARS-CoV-2 uptake, but not to
580 active viral replication (Boumaza et al., 2020; Dalskov et al., 2020; Grant et al., 2021; Yang et al.,
581 2020a). Specifically, macrophage exposure to SARS-CoV-2 can result in a strong pro-
582 inflammatory response but attenuated type I IFN response, suggesting that non-infected
583 infiltrating macrophages might be more effective in mediating and regulating systemic antiviral
584 responses than initially infected macrophages (Yang et al., 2020a). However, as macrophage
585 differentiation and antiviral responses depend on their tissue and extracellular environment, it
586 remains challenging to extrapolate such *in vitro* data into an *in vivo* tissue context. Further work

587 is needed to delineate the connection between macrophage infection and macrophage-mediated
588 IFN response and inflammation in HNFL mice.

589 A unique finding of our study is the strong association between the upregulation of the
590 USP18-ISG15 axis by macrophages and limited histopathology and inflammation. The role of the
591 axis in regulating viral infection in a human tissue context remains elusive. ISG15 is mainly
592 recognized as having antiviral functions, and many viruses have developed ways to escape such
593 functions (Perng and Lenschow, 2018). USP18 is the main ISG15 isopeptidase and can inhibit
594 ISG15-mediated ISGylation and can repress the establishment of an antiviral state (Honke et al.,
595 2016; Ketscher et al., 2015). However, USP18 can also directly inhibit type I IFN signaling by
596 binding to STAT2 (Arimoto et al., 2017) and IFNAR2 (Malakhova et al., 2006). Most importantly,
597 ISG15 is a crucial partner to USP18 in this process (Zhang et al., 2015) by stabilizing it and
598 preventing its proteasomal degradation, highlighting ISG15 as a negative regulator of the type I
599 IFN response. As macrophage-mediated inflammation has been suggested by many human
600 studies to contribute to COVID-19 (Grant et al., 2021; Merad and Martin, 2020; Rendeiro et al.,
601 2021; Wauters et al., 2021), and the USP18-ISG15 axis is not upregulated in NRG-L mice, our
602 data imply that upregulation of the USP18-ISG15 axis acts as an important regulator of
603 macrophage inflammation during infection, keeping positive inflammatory feedback loops in
604 check (e.g., via the downregulation of RIG-I-mediated signaling, for instance) in order to prevent
605 excessive tissue damage during host-mediated antiviral responses. This working model is
606 consistent with previous findings in hamsters, in which STAT2 was found to prevent viral
607 dissemination (Boudewijns et al., 2020), while contributing to excessive tissue inflammation.
608 Altogether, our work sheds unique light on the complex and multifaceted role of USP18 and ISG15
609 during viral infection *in vivo* and within a human tissue context. Further work is now required to
610 evaluate the impact of these proteins and their proteolytic/non-proteolytic functions in the
611 protective phenotype we observed. Given the human specific nature of the interaction between

612 USP18 and ISG15 (Speer et al., 2016), the HNFL model uniquely positions itself for such
613 investigation over other animal models of SARS-CoV-2 infection.

614 Our study demonstrates how fLX-engrafted mice can overcome certain limitations
615 associated with human studies and effectively transforms our understanding of human immunity.
616 However, it is worth noting that such models also carry inherent limitations such as imperfect
617 human immune reconstitution, B-cell responses, and/or imperfect cellular architecture of lymphoid
618 tissues. Significant improvements have been achieved over the past few years to develop
619 advanced models displaying enhanced myeloid compartment and innate immune responses
620 (O'Connell and Douam, 2020), some of which were applied in this study. Continuous refinements
621 of these models, such as by implementing genetic strategies to further enhance human immune
622 reconstitution, myeloid and lymphoid functions, and humoral responses, will aid in further
623 increasing our understanding of human immunity to coronavirus infection.

624 Graft versus host disease (GvHD) also remains an important limitation in accurate
625 modeling of human immune responses in humanized mice (Rongvaux et al., 2013). We previously
626 reported that the NRGF model was particularly resistant to GvHD in comparison to conventional
627 NRG mice due to the depletion of the mouse myeloid compartment in this model (Douam et al.,
628 2018). Despite the fact that HNFL mice were co-engrafted with allogeneic HSC in this study due
629 to limited tissue accessibility, we did not observe any significant signs of human-to-human GvHD
630 in fLX either histologically or by omics analyses. No major evidence of tissue damage in naïve
631 HNFL fLX was observed and no significant epithelial or hematopoietic inflammation was observed
632 by proteomics or scRNAseq analysis. At 7DPI, the restoration of the AT2 compartment and the
633 resolution of inflammatory responses toward baseline level strongly support evidence that the
634 immune signatures observed in fLX are mediated by SARS-CoV-2 infection. In future studies, co-
635 engrafting HNFL with autologous HSCs will help increase the capability of this mouse model.
636 Altogether, our work emphasizes the potential of fetal tissue-engrafted mice to transform our

637 understanding of human immunity to pave the way toward more effective treatments against
638 infectious diseases.

639

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664

665 **AUTHOR CONTRIBUTIONS**

666 D.K. and F.D. conceptualized the study. D.K., A.K.O., J.T., P.M., R.M.H., T.T., J.H.C., A.E.,
667 N.A.C., A.P. and F.D. designed the experiments. D.K., A.K.O., J.T., P.M., R.M.H., T.T., A.R.B.,
668 T.R.C., B.B., S.I.G., B.L.H., H.P.G., A.T., A.J.T., E.C., A.S., S.K., K.G., M.S., A.B.B., N.A.C., A.P.
669 and F.D. performed experiments. D.K., A.K.O., J.T., P.M., R.M.H., T.T., S.A.A., B.B., E.B., M.E.,
670 M.S., K.P.F., A.K., N.P., J.D.C., J.H.C., A.E., N.A.C., A.P. and F.D. analyzed the data. J.T.,
671 R.M.H., S.A.A. and J.D.C. carried out computational analysis. K.P.F., A.K. and N.P. carried out
672 bioluminescence imaging analysis. M.E. carried out electron microscopy analysis. B.R.H., M.B.,
673 K.P.F., A.K., and N.P provided access to key resources. E.B., M.B., M.E., M.S., K.P.F., A.K. and
674 N.P. provided conceptual and technical inputs and/or helped with data interpretation. D.K., N.A.C.,
675 A.P. and F.D. wrote the manuscript with contributions from all authors.

676

677 **DECLARATION OF INTERESTS**

678 D.K., A.K.O., J.T., P.M., R.M.H., T.T., A.R.B., T.R.C., S.A.A., B.B., S.I.G., B.L.H., H.P.G., E.B.,
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680 and F.D declare no conflict of interest. K.P.F. reports that he is an employee of PerkinElmer, Inc.,
681 manufacturer of diagnostic and analytical equipment. N.P. and A.K. declare the following
682 competing interest as shareholders of InVivo Analytics with issued patents.

683

684

685

686

687 **FIGURE LEGENDS**

688 **Figure 1. NRG-L mice are susceptible to SARS-CoV-2 infection. See also Figure S1 and S2,**
689 **and Supplemental Items 1 and 2.**

690 **A-D.** t-SNE plot of the human (A: 3 fLX, 9,968 cells) and mouse (B: 3 fLX, 5,091 cells)
691 compartment in fLX of NRG-L mice. Relative representation of each compartment within fLX is
692 indicated as a percentage between the two t-SNE plots. Cell subset frequencies within each
693 compartment (C: human; D: mouse) are shown below the respective t-SNE plot.

694 **E-M.** Representative SARS-CoV-2 N IHC (E,H,K) and 5-color IHC (F,G,I,J,L,M: yellow: SARS-
695 CoV-2 Spike; Magenta, human CD31; Cyan, human CD61; Red, human CD68; Grey, DAPI) on
696 non-inoculated (E,F,G: Naïve fLX), or inoculated fLX tissue section (H,I,J: 2DPI; K,L,M: 7DPI)
697 from NRG-L mice using 10^6 PFU of SARS-CoV-2. G, J, M are a 2x magnification of the inset
698 located in F, I, L respectively. F,I,L: 100x, scale bar=200 μ m; E,H,K: 200x, scale bar=100 μ m;
699 G,J,M: 400x, scale bar=50 μ m.

700 **N-O.** SARS-CoV-2 viral RNA quantification by RT-qPCR in inoculated graft (blue), contralateral
701 non-inoculated graft (red) and in mouse lung (grey) using 10^4 (N) or 10^6 (O) SARS-CoV-2 PFU
702 (n=4-12 fLX). Limit of detection (LOD) is shown as a dotted line and is equivalent to RNA
703 copies/mg tissues in naïve fLX (n=7). Mean \pm SEM, Kruskal-Wallis test; *p \leq 0.05, ***p \leq 0.001.

704 **P.** Quantification of infectious SARS-CoV-2 particles by plaque assay in non-inoculated
705 contralateral (CL, 7DPI) or inoculated fLX (2DPI and 7DPI) with 10^6 PFU of SARS-CoV-2. n=3-5
706 fLX. Mean \pm SEM, Kruskal-Wallis test; ns, non-significant.

707 **Q.** Non-linear regression (Sigmoidal 4PL) between viral RNA copies and infectivity per mg of
708 tissue in inoculated (n=10; 2DPI and 7DPI; 10^6 PFU), fLX contralateral fLX (n=3) and in naïve fLX
709 mice (n=2). The yellow area associates with productive infection and starts at the productive
710 infection threshold (PIT) established at 10^7 viral RNA copies/mg tissue. n=15 fLX.

711 **R.** Representative three-dimensional dorsal and profile view of a single NRG-L mouse following
712 inoculation of the right fLX with a SARS-CoV-2 NanoLuc virus (10^6 PFU), over 12 days of infection.

713 NanoLuc bioluminescent signal was detected and quantified over time using the InVivoPLOT
714 (InVivoAx) system and an IVIS Spectrum (PerkinElmer) optical imaging instrument.
715 **S-T.** Regionalized quantification of NanoLuc expression in inoculated right fLX (S; n=4) and in
716 non-inoculated contralateral fLX (T; n=4). Quantification was performed over a 12-day course of
717 infection. Mean signal from naïve fLX (n=3) was used to determine assay baseline (mock). Red
718 line represents the mean signal over time.

719

720 **Figure 2. NRG-L inoculation with SARS-CoV-2 results in severe histopathology. See also**
721 **Figure S3 and S4.**

722 **A.** Cumulative histopathologic score of fLX inoculated with 10^4 or 10^6 PFU of SARS-CoV-2 at 2DPI
723 and 7DPI. n=5-10 fLX. Mean \pm SEM, two-way ANOVA; * $p\leq 0.05$ ** $p\leq 0.01$.

724 **B.** Cumulative histopathologic score of fLX inoculated with 10^6 PFU of SARS-CoV-2 at 2DPI and
725 7DPI versus naïve/Contralateral (CL) fLX. n=8-12 fLX. Mean \pm SEM, Kruskal-Wallis test; ** $p\leq 0.01$,
726 *** $p\leq 0.001$.

727 **C-K.** Representative histopathologic phenotypes in fLX inoculated with 10^6 PFU of SARS-CoV-2
728 in NRG-L mice. (C) Neutrophil accumulation within airspaces (within black hash lines). (D)
729 Syncytial epithelial cells (black arrows) and interstitial edema (asterisks). (E) Fibrin thrombi
730 occluding intermediate sized blood vessels (black arrows), with interstitial edema (asterisks). (F)
731 Denuded epithelium (black arrows). (G) Coagulative necrosis (left of hash line), adjacent to viable
732 fLX (right of hash line). (H) Intra-airspaces hemorrhage. (I) Fibrin thrombi occluding interstitial
733 capillaries (black arrows). (J) Accumulation of necrotic debris within airspaces (asterisks). (K)
734 Hyaline membrane (black arrows). Hematoxylin and Eosin (H&E) staining, 400x, scale bar=50um.

735 **L-U.** Ultrastructural analysis of inoculated fLX with 10^6 PFU of SARS-CoV-2. (L) SARS-CoV-2
736 viral particles in double membrane-bound vesicle (DMV, asterisk) in AT2 pneumocytes (lamellar
737 body, LB) at 2DPI. Top right corner is a magnification of the top left inset (dotted box). (M) Infected
738 pneumocyte with high concentration of viral particles around the peripheral extracellular area (left

739 of hash line) at 2DPI. (N) Magnification (3.75X) of the inset from M with event of viral particle
740 maturation in DMV. (O) Virions free within the airspace phagocytized by a neighboring
741 macrophage with formation of multivesicular bodies containing virions at 2DPI. Bottom left picture
742 is a magnification of the central inset (dotted box). (P) Airspace filled with necrotic cellular debris
743 including lamellar bodies, denuded AT2 pneumocytes undergoing apoptosis characterized by
744 condensation of chromatin and pyknotic nuclei at 7DPI. (Q) Virus particles at variable stages of
745 maturation within the cytoplasm of a type II pneumocyte at 7DPI as indicated by presence of
746 lamellar bodies (LB). Virus particles are both free and in DMV, and electron dense viral replication
747 centers are indicated with an asterisk. (R-S) Airspace filled with necrotic cellular debris at 7DPI
748 including lamellar bodies and anuclear cellular fragments of denuded AT2 pneumocytes
749 containing a DMV (asterisk) and virus particles at varying stages of maturation. S is a
750 magnification (3.75X) of the central inset (dotted box) in R. (T) Cluster of mature virus particles
751 with radiating spikes and aggregates of nucleocapsid protein contained within a DMV at 7DPI.
752 (U) Blood vessel occluded by an aggregate of platelets at 7DPI. Scale bar dimensions are
753 indicated for all pictures.

754

755 **Figure 3. Type I IFN responses and persistent inflammation in inoculated fLX of NRG-L**
756 **mice. See also Figure S5 and Supplemental Item 3-5.**

757 **A-C.** Differentially expressed transcripts in inoculated (A: 2DPI; B: 7DPI) and contralateral non-
758 inoculated fLX (C: 7DPI) following SARS-CoV-2 infection (10^6 PFU) in comparison to naïve fLX.
759 Transcripts with $p_{adj} \leq 0.05$ and with \log_2 fold change ≥ 2 are considered significantly up- (red) or
760 downregulated (blue). Naïve, n=3; 2DPI, n=4; 7DPI, n=6; CL/Contralateral, n=3.

761 **D.** Number of differentially up-(red) or downregulated (blue) genes per time point (2/7DPI) and
762 infection settings (inoculated/CL). Naïve, n=3; 2DPI, n=4; 7DPI, n=6; CL/Contralateral, n=3.

763 **E.** Enriched IPA canonical pathway analysis (Qiagen) in inoculated fLX (2/7DPI) and in non-
764 inoculated contralateral fLX (CL). Color intensity is proportional to Z-Score. Naïve, n=3; 2DPI,
765 n=4; 7DPI, n=6; CL/Contralateral, n=3.
766 **F.** Cluster heatmap representing protein up- (Z-score>0) and downregulated (Z-Score<0) in NRG-
767 L fLX at 2DPI (n=4; 10^6 PFU of SARS-CoV-2) in comparison to naïve fLX (n=5).
768 **G.** Protein pathway enrichment analysis at 2DPI (n=4) in comparison to naïve fLX (n=5). Level of
769 enrichment for each protein pathway is colored coded.
770 **H-I.** Volcano plots displaying differentially expressed proteins at 2DPI (H) and 7DPI (I) in
771 inoculated fLX of NRG-L mice. Proteins with $p\leq 0.05$ (horizontal dashed line) and with $\log FC\geq 1$ or
772 ≤ -1 (vertical dashed lines) are considered significantly up- or downregulated respectively. Naïve,
773 n=5; 2DPI, n=4.

774
775 **Figure 4. Generation and hematopoietic characterization of fLX in HNFL mice. See also**
776 **Supplemental Item 1.**

777 **A.** Schematic representation of the procedure to generate HNFL mice. Rendered by BioRender.
778 **B.** Frequencies of human CD45+ cells within total CD45+ cells (mouse + human) in naïve fLX of
779 NRG-L and HNFL mice. n=3-5. Mean \pm SEM, Welch's t test $^{**}p\leq 0.01$
780 **C.** Fraction (%) of the human (purple) and mouse (green) cellular compartment in fLX of NRG-L
781 (3 fLX, 15,059 cells) and HNFL (2 fLX, 5,567 cells) as determined following scRNAseq analysis.
782 **D.** Frequencies of the human hematopoietic fraction within the entire human cellular compartment
783 in naïve fLX of NRG-L (3 fLX, 9,968 cells) and HNFL (2 fLX, 5160 cells) as determined by
784 scRNAseq analysis.
785 **E.** Frequencies of AT1 (green), AT2 (purple), ciliated cells (blue) and club cells (red) within the
786 human epithelial compartment in naïve fLX of NRG-L (3 fLX, 2,650 cells) and HNFL (2 fLX, 2,159
787 cells) as determined by scRNAseq analysis.

788 **F-G.** t-SNE plot of the human (F: 2 fLX, 5,160 cells) and mouse (G: 2 fLX, 407 cells) compartment
789 in naïve HNFL fLX. Relative representation of each compartment within fLX is indicated as the
790 percentage between the two t-SNE plots. Cell subset frequencies within each compartment (H:
791 human; I: mouse) are shown below the respective t-SNE plot.

792

793 **Figure 5. HNFL mice are protected from SARS-CoV-2 infection. See also Figure S5-6 and**
794 **Supplemental Items 6-7.**

795 **A-I.** Representative H&E staining (A,D,G), SARS-CoV-2 Spike IHC (B,E,H) and 6-color IHC
796 (C,F,I: Yellow, SARS-CoV-2 Spike; Cyan, human CD3e; Green, human CD20; Orange, human
797 CD8; Red, human CD68; Grey, DAPI) on naive (A,B,C), or inoculated (10^6 PFU) fLX tissue
798 sections (B,E,F: 2DPI; G,H,I: 7DPI) from HNFL mice. A,B, D, E, G, H: 200x, scale bar=100 μ m; C,
799 F, I: 100x, scale bar=200 μ m.

800 **J.** SARS-CoV-2 viral RNA quantification by RT-qPCR in inoculated fLX (10^6 SARS-CoV-2 PFU)
801 of HNFL mice at 2DPI and 7DPI (n=3-5 fLX). Limit of detection (LOD) is shown as a dotted line
802 and represents the mean RNA copies/mg tissues in naïve fLX (n=5). Significance between 2DPI
803 and 7DPI viral load values and productive infection (yellow area) was calculated by running a
804 Kruskal-Wallis test (red line and asterisks) on all pooled 2DPI2 + 7 DPI values from HNFL (n=7)
805 versus all pooled 2DPI+7DPI viral load values from NRG-L mice that were above PIT (n=14).
806 Mean \pm SEM, Kruskal-Wallis test, *p \leq 0.05. ****p \leq 0.001. PIT, productive infection threshold.

807 **K.** Cumulative histopathologic score of inoculated fLX (10^6 PFU of SARS-CoV-2) from NRG-L
808 and HNFL mice at 2DPI and 7DPI. n=4-12. Mean \pm SEM, two-way ANOVA *p \leq 0.05 **p \leq 0.01.

809 **L.** Frequencies of human CD45+ cells within total CD45+ cells (mouse+human) in fLX of HNFL
810 mice at 2DPI and 7DPI. A dotted line represents the mean frequency of CD45+ cells in naïve fLX
811 from HNFL mice. n=3-7. Mean \pm SEM, one-way ANOVA **p \leq 0.01, ***p \leq 0.001 over naïve fLX
812 (Figure 4B).

813 **M-Q.** Normalized cell count (number of cells analyzed for a given subset*[total fLX cell count/total
814 cells analyzed]) of CD3+ T cells (M), CD3+ CD4+ T cells (N), CD3+ CD8+ T cells (O), CD20+
815 cells (P) and CD3- CD20- CD33- CD56+ (Q) in naïve fLX or infected (2DPI and 7 DPI). n=3-7.
816 Mean \pm SEM, one-way ANOVA. * $p\leq 0.05$, ** $p\leq 0.01$, *** $p\leq 0.001$.

817 **R.** Cluster heatmap representing proteins significantly ($p\leq 0.05$) up- (z-score>0) and
818 downregulated (z-Score<0) in HNFL fLX at 2DPI (10^6 PFU of SARS-CoV-2) in comparison to
819 naïve HNFL fLX. Naïve, n=4; 2DPI, n=4.

820 **S.** Semi-cluster heatmap representing relative differential expression of a set of selected proteins
821 in HNFL fLX and NRG-L at 2DPI (10^6 PFU of SARS-CoV-2) following side-by-side analysis by
822 mass spectrometry run. Protein significantly ($p\leq 0.05$) up- (z-score>0) and downregulated (z-
823 Score<0) are labelled in red. HNFL, n=4; NRG-L, n=4.

824 **T-U.** Volcano plots displaying differentially expressed proteins in HNFL (T) or NRG-L mice (U)
825 fLX at 2DPI following side-by-side analysis by single mass spectrometry run. Proteins with $p\leq 0.05$
826 (horizontal dashed line) and with $\log_{2}FC\geq 1$ or ≤ -1 (vertical dashed lines) are considered
827 significantly up- or downregulated respectively. Naïve, n=4; 2D PI, n=4.

828 **V.** Significantly ($p\leq 0.05$) differentially expressed transcripts (upregulated, red; downregulated,
829 blue) in inoculated HNFL fLX at 2DPI following SARS-CoV-2 infection (10^6 PFU) in comparison
830 to naïve HNFL fLX. Fold changes were derived from scRNAseq datasets and were computed
831 using MAST. Transcripts with $p\leq 10^{-200}$ (horizontal dotted line) and with \log_2 fold change ≥ 0.2 or \leq
832 0.2 (vertical dotted lines) are highlighted. Naïve, n=2; 2DPI, n=3.

833

834 **Figure 6. Macrophages are the major mediator of the ISG response observed in HNFL mice.**

835 **See also Figure S7.**

836 **A-D.** t-SNE plot of the human compartment in fLX of HNFL mice at 2DPI (A: 3 fLX, 6,736 cells)
837 and 7DPI (B: 3fLX, 11,269 cells). Detailed cell subset frequencies for each time point (C: 2DPI;
838 D: 7DPI) are shown below the respective t-SNE plot.

839 **E.** Frequencies of the human hematopoietic fraction (immune) within the entire human cellular
840 compartment in naïve HNFL fLX (2 fLX, 5160 cells) or after inoculation (2DPI: 3 fLX, 6,736 cells;
841 7DPI: 3fLX, 11,269 cells).

842 **F.** Frequencies of different human hematopoietic lineages within the entire human cellular
843 compartment (2 fLX, 5,160 cells) in naïve HNFL fLX or after inoculation (2DPI: 3 fLX, 6,736 cells;
844 7DPI: 3 fLX, 11,269 cells).

845 **G.** Frequencies of AT1 (green), AT2 (purple), ciliated cells (blue) and club cells (red) within the
846 human epithelial compartment in naïve HNFL fLX (2 fLX, 2,159 cells) or after inoculation (2DPI:
847 3 fLX, 937 cells; 7DPI: 3fLX, 1,825 cells). A dotted line symbolizes the variation of the size of the
848 AT2 compartment upon infection.

849 **H-J.** t-SNE plots displaying clustered and scaled expression of several transcripts coding for
850 human cell surface markers and ISGs in the human compartment of HNFL fLX at 2DPI. (H)
851 Myeloid markers CD33, CD14 and CD68. (I) Inflammatory and regulatory markers IL1 β , IL10 and
852 C1QA. (J) ISG IFI6, Ly6E, IFIT1-3, MX1, ISG15 and USP18. Clusters of interest are indicated
853 with a dotted circle, and each cluster name is shown in the top left plot of panel H (AIM, activated
854 inflammatory macrophages; ARM, activated regulatory macrophages; SSM, steady-state
855 macrophages; DC, dendritic cells; Fib, fibroblasts). Cluster defining genes (i.e., whose expression
856 level is significantly associated with a given cluster) have their name followed by an asterisk, and
857 Log2FC values are indicated near the corresponding cluster(s). n=3 fLX, 6,736 cells.

858 **K.** Statistical association between ISG upregulation and cluster identity. Mean scaled expression
859 of a pool of 15 ISGs (DDX58, IFI44L, ISG15, OAS1-3, IFIT1-3, IFIT5, USP18, LyE6, IFI6, MX1-
860 2) was compared across all the human scRNAseq clusters at 2DPI (n=15). Statistically significant
861 differences in ISG expression between clusters was calculated using a two-way ANOVA test, and
862 p values (-Log₁₀(p.value)) are reported as heatmap. $p \geq 0.05$ (-Log₁₀[0.05]=1.30) are shown in
863 black and are considered non-significant. Activated macrophage (AM) clusters are indicated
864 (clusters 9, inflammatory macrophages; cluster 10, regulatory macrophages)

865 **L. Differential co-expression of the USP18-ISG15 axis across human lineages in infected fLX.**
866 Cumulative scaled expression of USP18 and ISG15 was calculated for all human lineages in fLX
867 at 2 DPI (Epithelial cells, Epi: 4 clusters; B-cells: 3 clusters; T-cells: 2 clusters; Endothelial cells,
868 Endo: 1 cluster; Fibroblasts, Fibro: 1 cluster; Dendritic cells, DC: 1 cluster; Steady-state
869 macrophages, SSM: 1 cluster; Activated macrophages, AM: 2 clusters) and plotted on a X/Y axis
870 with X and Y corresponding to ISG15 and USP18 expression respectively. Four categories of co-
871 expression were identified (low/low, low/high, high/low, and high/high) and are delimited by
872 dashed lines.

873

874 **Figure 7. Working model: Macrophages as central regulator of lung tissue protection upon**
875 **SARS-CoV-2 infection. A.** Disease model: In NRG-L, macrophage infection results in pro-
876 inflammatory chemokine secretion (1) and in a pro-inflammatory feedback loop (2) that goes
877 unhindered by the absence of human leukocyte infiltration in infected fLX. The absence of
878 macrophage infiltration does not allow for the establishment of a type-I interferon response able
879 to effectively support the antiviral response mediated by the type II pneumocyte (AT2)
880 compartment (3), therefore preventing effective viral clearance. Persistent viral infection and
881 prolonged inflammation over time induce diffuse alveolar damage (4) and other histopathological
882 features observed in the lung of severe cases of COVID-19.

883 **B. Protective phenotype:** In HNFL mice, macrophages are activated upon SARS-CoV-2 infection
884 (1) and promote the recruitment of monocytes via chemokine production including CCL2, CCL4,
885 CCL8 and CXCL10. Monocyte differentiation into macrophages (2), and further polarization into
886 inflammatory and regulatory phenotypes, promotes a systemic antiviral state within the fLX (3).
887 Upregulation of the USP18-ISG15 axis allows for a tightly balanced inflammatory response that
888 preserves lung tissue integrity during the antiviral response (4). Imaged by BioRender.

889

890

891 **METHODS**

892 **Cells and antibodies**

893 VeroE6 cells and AAV-293 cells (ATCC) were grown in Dulbecco's modified Eagle's medium
894 (DMEM) supplemented with 10% heat inactivated fetal bovine serum (Bio-Techne, R&D systems,
895 Minneapolis, MN, USA) and 1% (v/v) Penicillin Streptomycin (Thermo Scientific, Waltham, MA,
896 USA).

897 The following anti-mouse antibodies were used for flow cytometry: from BioLegend (San Diego,
898 CA, USA): CD45-PE-Cy7 clone 30-F11, CD45-PE-Dazzle5 clone 30-F11. The following anti-
899 human antibodies were used for flow cytometry: from BD Biosciences (San Jose, CA, USA):
900 CD45-V500 clone HI30, CD34-FITC clone 581, CD8-FITC clone G42-8, CD11c-allophycocyanin
901 clone B-ly6; from BioLegend: CD56-allophycocyanin-Cy7 clone HCD56, CD33-PerCP-Cy5.5
902 clone WM53, CD11c-Alexa Fluor 700 clone 3.9, CD123-eFluor450 clone 6H6, CD14-PE-
903 eFluor610 clone 61D3, CD3-FITC clone SK7, CD19- allophycocyanin clone HIB19, HLA-DR-
904 BV510 clone L243, CD3-BV605 clone UCHT1, CD20-BV650 clone 2H7, CD16-BV117 clone
905 B73.1, CD45-BV785 clone H130, CD8-FITC clone RPA-T8, CD33-PE clone WM53, CD14-
906 PerCP-Cy5.5 clone HCD14, CD45RA-PE-Cy7 clone HI100, CD56-allophycocyanin clone
907 QA17A16, CD4-Alexa Fluor 700 clone SK3; from Thermo Scientific: CD14-Alexa 700 clone Tuk4,
908 CD3-PE-Cy5.5 clone 7D6, CD4-PE clone RPA-T4, CD19-PacBlue clone SJ25C1, CD16-PE-
909 TexasRed clone 3G8.

910 The following primary antibodies were used for immunochemistry: anti-human CD31 clone
911 JC/70A (Biocare Medical, Pacheco, CA, USA), anti-mouse CD31 clone D8V9E (Cell Signaling
912 Technology, Danvers, MA, USA), ACE2 clone EPR34435 (Abcam, Waltham, MA, USA),
913 polyclonal SFTPC (Seven Hills Bioreagents, Cincinnati, OH, USA), anti-human CD68 clone KP1
914 (LS Bio, Seattle, WA, USA), anti-human CD61 clone ARC0460 (Thermo Scientific), anti-human
915 CD4 clone SP35 and anti-human CD8 clone SP57 (Roche, Basel, Switzerland), and anti-human

916 CD20 clone L26 Dako Omnis (Agilent, Santa Clara, CA, USA). The secondary antibody used in
917 this study included HRP Goat anti-Rabbit IgG (H&L) (Vector Laboratories, Burligame, CA, USA).
918 For mouse derived primary antibodies, a linker antibody (Abcam) was used prior to application of
919 the secondary antibody to prevent non-specific binding. DAB and purple chromogens (Roche)
920 and chromogens used for TSA-conjugated Opal 480, 520, 570, 620, and 690 fluorophores (Akoya
921 Biosciences, Marlborough, MA, USA) were utilized to develop immunohistochemical assays. The
922 following anti-SARS-CoV-2 antibodies were used for immunohistochemistry: rabbit polyclonal
923 anti-SARS-CoV Nucleoprotein (Novus Biological, Littleton, CO, USA), mouse monoclonal anti-
924 SARS-CoV-2 Spike clone 2B3E5 (This antibody was used in this study as clone E7U60, which
925 was the pre-production clone ID of clone 2B3E5; Cell Signaling Technology).

926

927 **Animal work**

928 **Institutional approvals.** All animal experiments described in this study were performed in
929 accordance with protocols (number 1930) that were reviewed and approved by the Institutional
930 Animal Care and Use and Committee of Princeton University (#1930) and Boston University
931 (PROTO202000020). All mice were maintained in facilities accredited by the Association for the
932 Assessment and Accreditation of Laboratory Animal Care (AAALAC). All replication-competent
933 SARS-CoV-2 experiments were performed in a biosafety level 3 laboratory (BSL-3) at the Boston
934 University National Emerging Infectious Diseases Laboratories (NEIDL).

935 **Mouse models and housing.** NOD *Rag1^{-/-} IL2Rg^{null}* mice (NOD.Cg-*Rag1^{tm1Mom}**Il2rg^{tm1Wjl/SzJ}*, were
936 obtained from the Jackson Laboratory, catalog number 007799). NRG-Flk2-/- (NRGF) mice
937 (NOD.Cg-*Rag1^{tm1Mom}* *Flt3^{tm1Ild}**Il2rg^{tm1Wjl/J}*) were generated as described previously (Douam et al.,
938 2018) and are available at The Jackson Laboratory (Bar Harbor, ME, USA) (catalog number
939 033127). NRG and NRGF mice were maintained at the Laboratory Animal Resource Center at
940 Princeton University prior to engraftment with human tissues and shipment to the NEIDL.

941 Heterozygous K18-hACE2 C57BL/6J mice of both sexes (strain 034860, 2B6.Cg-Tg(K18-
942 ACE2)2Pr1mn/J) were obtained from The Jackson Laboratory and maintained at the NEIDL at
943 Boston University. In the NEIDL BSL-3 facility, mice were group-housed by sex in Tecniplast
944 green line individually ventilated cages (Tecniplast, Buguggiate, Italy). Mice were maintained on
945 a 12:12 light cycle at 30-70% humidity and provided sulfatrim-containing (NRG/NRGF) or ad-
946 libitum water (K18-hACE2) and standard chow diets (LabDiet, St. Louis, MO, USA).

947 **Generation of mice engrafted with human fetal lung xenografts (fLX).** Fetal lung tissues
948 within a gestational age range of 18 to 22 weeks were obtained from Advanced Biosciences
949 Resources (Alameda, CA, USA). Upon receipt, fetal lung tissue was trimmed of visible connective
950 tissue before the lung was processed into cubes (3-5 mm/side) and placed into DMEM. NRG and
951 NRGF mice (greater than 6 weeks of age) were anesthetized using isoflurane and placed in prone
952 position. A midline incision was made along the skin of the upper back of the mouse. Forceps
953 were used to create subdermal pockets on either side of the midline incision. A piece of lung was
954 dried on a sterile drape and coated with Corning (Corning, NY, USA) Matrigel Basement
955 Membrane Matrix (product number 354234). Matrigel-coated lung pieces were inserted into each
956 of the subdermal pockets. Skin clips were used to secure the incision. Mice were used for
957 infections 10-15 weeks following engraftment. Fetal lung xenografts derived from eight different
958 donors were used in this study.

959 **Isolation of human CD34+ hematopoietic stem cell (HSC).** Human fetal livers (16-22 weeks of
960 gestational age) were procured from Advanced Bioscience Resources. Fetal liver was
961 homogenized and incubated in digestion medium (HBSS with 0.1% collagenase IV (Sigma-
962 Aldrich, Darmstadt, Germany), 40 mM HEPES, 2 M CaCl₂ and 2 UU/ml DNase I (Roche) for 30
963 min at 37°C. Human CD34+ HSC were isolated using a CD34+ HSC isolation kit (Stem Cell
964 Technologies, Cambridge, MA, USA) according to the manufacturer's protocol. Purification of
965 human CD34+ cells were assessed by flow cytometry using an anti-human CD34-FITC antibody

966 (clone 581, BD Biosciences). Fetal liver derived from three different donors were used in this
967 study.

968 **Generation of human immune system-engrafted mice.** 3-5 weeks post fLX engraftment,
969 NRGF-L mice were irradiated with 300 cGy and 7-10x10⁵ human CD34+ HSC were injected
970 intravenously 4-6 h after irradiation. Male and female mice transplanted with CD34+ HSC derived
971 from three different human donors were used in this study. Twelve weeks post HSC engraftment,
972 peripheral levels of humanization were checked. Mice with peripheral engraftment level >40%
973 were enrolled in the study. One-week prior SARS-CoV-2 infection, NRGF-L mice were injected
974 intravenously (tail vein) with 2x10¹¹ copies of AAV-Flt3LG resuspended in 200 µl of 1X phosphate-
975 buffered saline (PBS) containing 35nM NaCL, 0.002%pluronic F-68 and 5%glycerol.

976 **Inoculation of humanized mice by intra-fetal lung xenograft injection with SARS-CoV-2.**
977 Ten to fifteen weeks post engraftment, NRG-L and HNFL mice of both sexes were inoculated via
978 intra-fetal lung xenograft (intra-fLX) injection with 10⁴ or 10⁶PFU of SARS-CoV-2 in 50 µL of sterile
979 1X PBS. Inoculations were performed under 1-3% isoflurane anesthesia. Either one or both
980 implants were inoculated by direct injection into the fLX. Animals were euthanized at day two or
981 day seven post inoculation.

982 **Intranasal inoculation of K18-hACE2 with SARS-CoV-2.** 10-12 week old K18-hACE2 mice of
983 both sexes were intranasally inoculated with 10⁶ PFU of SARS-CoV-2 in 50 µl of sterile 1X PBS.
984 Inoculations were performed under 1-3% isoflurane anesthesia. Animals were euthanized either
985 prior to infection, at 2DPI, at 7DPI, or when they reached euthanasia criteria (as defined in related
986 IACUC protocol).

987 **Tissue collection and lung inflation for histology.** At the indicated endpoints, mice were
988 anesthetized using 1-3% isoflurane, followed by euthanasia using an overdose of
989 ketamine/xylazine. For lung inflation specifically, a midline incision was made to open the
990 abdominal cavity of the mouse. After the diaphragm was punctured, the rib cage was cut from
991 sternum to chin to open the thoracic cavity. Following opening of the rib cage, skin and

992 subcutaneous tissue were removed to expose the trachea, and an 18G catheter was inserted into
993 the trachea and secured with a ligature. The lungs were insufflated with 1.5 mL of low-melt
994 agarose and removed from the mouse after agarose solidification, then placed in 10% NBF for
995 fixation for a minimum of 72 hours.

996

997 **Virus**

998 **SARS-CoV-2 isolate stock.** All replication-competent SARS-CoV-2 experiments were performed
999 in a BSL-3 facility at the Boston University National Emerging Infectious Diseases Laboratories.
1000 The clinical isolate named 2019-nCoV/USA-WA1/2020 strain (NCBI accession number:
1001 MN985325) of SARS-CoV-2 was obtained from BEI Resources (Manassas, VA, USA). To
1002 generate the passage 1 (P1) virus stock, Vero E6 cells, pre-seeded the day before at a density of
1003 10 million cells, were infected in T175 flasks with the master stock, diluted in 10 ml final volume
1004 of Opti-MEM (ThermoFisher Scientific, Waltham, MA, USA). Following virus adsorption to the
1005 cells at 37°C for 1 h, 15 ml DMEM containing 10% FBS and 1X penicillin/streptomycin was added
1006 to the flask. The next day, media was removed, the cell monolayer was rinsed with 1X PBS, pH
1007 7.5 (ThermoFisher Scientific) and 25 ml of fresh DMEM containing 2% FBS was added. Two days
1008 later, when the cytopathic effect of the virus was clearly visible, culture medium was collected,
1009 filtered through a 0.22 µm filter, and stored at -80°C. Our P2 working stock of the virus was
1010 prepared by infecting Vero E6 cells with the P1 stock, at a multiplicity of infection (MOI) of 0.1.
1011 Cell culture media was harvested at 2DPI and 3DPI, and after the last harvest, ultracentrifuged
1012 (Beckman Coulter Optima L-100k; SW32 Ti rotor) for 2 h at 25,000 rpm (80,000 x g) over a 20%
1013 sucrose cushion (Sigma-Aldrich). Following centrifugation, the media and sucrose were
1014 discarded, and pellets were left to dry for 5 min at room temperature. Pellets were then
1015 resuspended overnight at 4°C in 500 µl of 1X PBS. The next day, concentrated virions were
1016 aliquoted and stored at -80°C.

1017 **Production of recombinant SARS-CoV-2 expressing NanoLuc Luciferase.** A recombinant
1018 SARS-CoV-2 expressing NanoLuc Luciferase (rSARS-CoV-2 NL) (Xie et al., 2020) was
1019 graciously provided by the Laboratory of Pei-Yong Shei. To propagate the virus, a day prior to
1020 propagation 10 million Vero E6 cells were seeded in a T-175 flask, 10 μ L of rSARS-CoV-2 NL
1021 virus stock was diluted in 10 mL of OptiMEM. Virus was incubated on cells for 1 h at 37°C then
1022 15 mL of DMEM containing 10% FBS and 1% penicillin/streptomycin was added. The next
1023 morning, media was removed, cells were washed with 1X PBS and 25 mL of fresh DMEM
1024 containing 2% FBS was added. Virus was incubated for an additional 48 h, supernatant was
1025 collected, filtered through a 0.22 μ m filter, and stored at -80°C. Viral stock was thawed and
1026 concentrated by ultracentrifugation (Beckman Coulter Optima L-100k; SW32 Ti rotor) at 25,000 x
1027 g for 2 h at 4°C on a 20% sucrose cushion (Sigma-Aldrich, St. Louis, MO). Media and sucrose
1028 were discarded, pellets were dried for 5 min at room temperature, then viral pellets were
1029 suspended in 100 μ L of 1X PBS at 4°C overnight. On the next day, concentrated virus was
1030 aliquoted and stored at -80°C.

1031 **SARS-CoV-2 titering.** The titer of our viral stocks was determined by plaque assay. Vero E6 cells
1032 were seeded into a 12-well plate at a density of 2.5×10^5 cells per well and infected the next day
1033 with serial 10-fold dilutions of the virus stock for 1 h at 37°C. Following virus adsorption, each well
1034 was supplemented with 1 ml of overlay media, consisting of 2X DMEM supplemented with 4%
1035 FBS and mixed at a 1:1 ratio with 1.2% Avicel (DuPont, Wilmington, DE, USA; RC-581). Three
1036 days later, the overlay media was removed, the cell monolayer was washed with 1X PBS and
1037 fixed for 1 h at room temperature with 10% neutral buffered formalin (ThermoFisher Scientific).
1038 Following formalin removal, fixed cells were then washed with 1X PBS and stained for 1 h at room
1039 temperature with 0.1% crystal violet (Sigma-Aldrich) prepared in 10% ethanol/water. After rinsing
1040 with tap water, the number of plaques was counted and the virus titer was calculated.

1041 **Generation of AAV-Flt3LG.** The pAB269 AAV backbone containing AAV2 ITRs was kindly
1042 provided by Markus Grompe (OHSU, Oregon, USA). The plasmid was digested with PstI/MluI

1043 HF. The FLT3 was PCR amplified from pAL119-FLT3L (Addgene, item #21910), and the TBG
1044 was amplified from pX602-AAV-TBG:NLS-SaCas9-NLS-HA-OLLAS-bGHpA;U6::Bsal-sgRNA
1045 (Addgene, item #61593). The FLT3, TBG, and BGH PCR products had 15 bp of overlapping
1046 sequence with adjacent inserts and backbone and were assembled with In-Fusion (Takara Bio,
1047 Mountain View, CA, USA) to create the final construct. AAV-293 cells (Agilent) at 50% confluence
1048 in 15 cm dishes were transfected via the calcium phosphate method with 22.5 µg XR8 (NGVB,
1049 Indianapolis, IN), 7.5 µg pHelper (Agilent), 7.5 µg of pAB269-TBG-FLT3 LG-BGH per plate. Media
1050 was collected every 24 h for 72 h total. After 72 h, the media was treated with a 5X solution of
1051 40% PEG8000 and 2.5 M NaCl to precipitate the AAV for 2 h at 4°C before being spun down at
1052 4300 x g for 20 min. Cells from plates were scraped, washed with PBS, and resuspended in
1053 hypotonic buffer (10 mM HEPES, 1.5 mM MgCl₂, 10 mM KCl, 0.35 mg/ml spermine) on ice for 10
1054 min before 1 ml restore buffer (62.5% sucrose wt/vol in hypotonic buffer) was added. Cell
1055 membranes were sheared in a 15 ml Kontes dounce homogenizer and nuclei were spun down at
1056 500 x g for 10 min. AAV from PEG precipitate was resuspended in 6 ml high salt buffer (2.5 mM
1057 KCl, 1 mM MgCl₂, 1 M NaCl in PBS) and added to nuclei that had been resuspended in 1 ml low
1058 salt buffer (2.5 mM KCl, 1 mM MgCl₂, in PBS). Lysate was treated with 250 units of Benzonase
1059 (Sigma) at 37°C for 30 min and then spun at 4300 x g for 30 min before being loaded onto an
1060 iodixanol gradient. AAV was spun at 38,000 rpm in an SW41 rotor for 3 h at 16°C. AAV was
1061 collected from the 40% iodixanol layer and buffer was exchanged to AAV storage buffer (PBS
1062 with 35 mM NaCl, 0.002% pluronic F-68, 5% glycerol) in a 100 MWCO centrifugal filter column
1063 (MilliporeSigma, Burlington, MA, USA). Samples were analyzed via silver stain to check purity
1064 and qPCR to quantify.

1065

1066 **Tissue processing**

1067 **Single cell suspension from whole blood.** Blood (200 µl) was collected through submandibular
1068 bleeding and transferred into EDTA capillary collection tubes (Microvette 600 K3E; Sarstedt,

1069 Nümbrecht, Germany). Cells were separated from serum through centrifugation, and red blood
1070 cells were lysed with 1X lysis buffer (BD Pharm Lyse, BD Biosciences) for 15 min at room
1071 temperature in the dark. Following lysis and quenching with 10% (v/v) FBS DMEM media, blood
1072 cells were then washed twice with a 1% (v/v) FBS-PBS solution (FACS Buffer) before antibody
1073 staining.

1074 **Single cell suspension from fLX.** Fetal lung xenografts were collected and placed in Roswell
1075 Park Memorial Institute Medium (RPMI) with 10% FBS. To generate single cell suspensions, lung
1076 tissues were placed on a 60 mm dish and minced using a disposable scalpel. Tissue pieces were
1077 transferred to a 15 mL conical tube with 3 mL of digestion buffer (HBSS minus Ca^{2+} , Mg^{2+} , and
1078 phenol red, 0.5 mg/mL Liberase TM, 1 mg/mL DNase I) and incubated at 37°C for 30 min with
1079 agitation every 10 min. Minced pieces were transferred to a 70 μm strainer on a 50 mL tube and
1080 mashed through using the plunger of a 3 mL syringe plunger. The strainer was washed two times
1081 with 1 mL of FACS buffer (1X PBS with 1% (v/v) FBS) and the cell suspension was centrifuged
1082 at 300 $\times g$ for 5 min at 4°C. The cell pellet was resuspended in 1 mL of ACK lysing buffer
1083 (ThermoFisher Scientific; #A1049201) and incubated for 2 min at room temperature. After
1084 incubation, 9 mL of FACS buffer was added to quench the lysis, samples were centrifuged at 300
1085 $\times g$ for 5 min at 4°C, and the cell pellet was resuspended in 1 mL of FACS buffer prior to antibody
1086 staining.

1087 **Single cell suspension from spleen.** Spleen was collected and placed in RPMI with 10% FBS.
1088 To generate single cell suspensions, a 70 μm strainer was placed into one well of a 6-well plate
1089 with 4 mL of FACS buffer. Whole spleen was then placed onto the strainer and mashed through
1090 the strainer using a 3 mL syringe plunger. After the strainer was washed twice with 1 mL of FACS
1091 buffer, the resultant single cell suspension was transferred to a 15 mL conical tube and samples
1092 were centrifuged at 300 $\times g$ for 5 min at 4°C. The cell pellet was resuspended in 1 mL of ACK
1093 lysing buffer and incubated for 2 min at room temperature. After incubation, 9 mL of FACS buffer

1094 was added to quench the lysis, samples were centrifuged at 300 x g for 5 min at 4°C, and the cell
1095 pellet was resuspended in 1 mL of FACS buffer.

1096

1097 **RNA extraction**

1098 **Generation of cell lysates for total RNA extractions.** Tissues were collected from mice and
1099 placed in 600 µL of RNAlater (MilliporeSigma: #R0901500ML) and stored at -80°C. For
1100 processing, 20–30 mg of tissue was taken and placed into a 2 mL tube with 600 µL of RLT buffer
1101 with 1% β-mercaptoethanol and a 5 mm stainless steel bead (Qiagen, Hilden, Germany: #69989).
1102 Tissues were then dissociated using a Qiagen TissueLyser II (Qiagen) with the following cycle:
1103 two min dissociation at 1800 oscillations/min, one min rest, two min dissociation at 180
1104 oscillations/min. Samples were then subject to centrifugation at 13,000 rpm for 10 min at room
1105 temperature and supernatant was transferred to a new 1.5 mL tube. RNA extractions were
1106 performed using a Qiagen RNeasy Plus Mini Kit (Qiagen: #74134), according to the
1107 manufacturer's instructions, with an additional on-column DNase treatment (Qiagen: #79256).
1108 RNA was eluted in 30 µL of RNase/DNase free water.

1109 **RNA extraction from serum.** Viral RNA was extracted from serum using a Zymo Viral RNA
1110 extraction kit (Zymo Research, Irvine, CA, USA: #R1035) following the manufacturers protocol.
1111 Briefly, serum was mixed with RNA/DNA shield (Zymo) at a 1:1 ratio. RNA buffer was then added
1112 to the serum (2:1 ratio) and passed through a column by centrifugation at 13,000 x g. The column
1113 was then washed twice, and RNA was eluted with 15 µL of RNase/DNase free water.

1114

1115 **Flow cytometry**

1116 For all flow cytometry experiments, flowcytometric analysis was performed using an LSRII Flow
1117 Cytometer (BD Biosciences). Flow cytometry fluorophore compensation for antibodies was
1118 performed using an AbC™ Anti-Mouse Bead Kit (ThermoFisher Scientific). Flow cytometry data
1119 were analyzed using FlowJo software (TreeStar, Ashland, OR, USA).

1120 **Quantification of peripheral human chimerism in HNFL mice.** 2-4x10⁶ PBMCs of human or
1121 murine origin were isolated as described above and stained for 1 h at 4°C in the dark with an
1122 antibody cocktail targeting human(h)CD45, mouse CD45, hCD3, hCD4, hCD8, hCD16, hCD19,
1123 hCD11c, hCD56 and hCD14. Following washing with FACS Buffer, cells were fixed with fixation
1124 buffer (1% (v/v) FBS, 4% (w/v) PFA in PBS) for 30 min at 4°C in the dark. Chimerism of all
1125 humanized mice was assessed by quantifying the following human populations: Human CD45⁺,
1126 human CD45⁺ murine CD45⁻; T-cells, CD45⁺ CD3⁺; CD4⁺ T cells, CD45⁺ CD3⁺ CD4⁺; CD8⁺ T
1127 cells, CD45⁺ CD3⁺ CD8⁺; CD45⁺ CD16⁺ leukocytes; B-cells, CD45⁺ CD19⁺; conventional dendritic
1128 cells, CD45⁺ CD11c⁺; NK/NKT cells, CD45⁺ CD56⁺; Monocytes, CD45⁺ CD14⁺.

1129 **Antibody staining and flow cytometry analysis of NRG-L splenocytes and fLX.** 2-4x10⁶
1130 splenocytes or fetal lung cells of human or murine origins were isolated as described above and
1131 stained for 1 h at 4°C in the dark with an antibody cocktail targeting mouse CD45, human(h)CD45,
1132 hCD19, hCD3, hCD33, hCD11c, hCD56, hCD68, hCD123, hCD14. Following washing with FACS
1133 Buffer, cells were fixed with fixation buffer for 30 min at 4°C in the dark. Human immune cell
1134 subsets from naïve NRG-L fLX were gated as follows: Human CD45⁺, human CD45⁺ murine
1135 CD45⁻; T-cells, CD45⁺ CD3⁺; CD11c/CD33, CD45⁺ CD3⁻ CD19⁻ CD33⁺ CD11c⁺; CD56, CD45⁺
1136 CD3⁻ CD19⁻ CD56⁺.

1137 **Antibody staining and flow-cytometry analysis of HFNL fLX.** After generation of single cell
1138 suspension, 5x10⁵ - 1x10⁶ cells were used for flow cytometry staining. Cells were centrifuged at
1139 300 X g for 5 min at 4°C. The cell pellet was resuspended in a mix of 22.5 µL FACS buffer and
1140 2.5 µL of FcX (Biolegend; #422302) and incubated for 10 min at room temperature. After blocking,
1141 25 µL of antibody cocktail targeting hCD3, hCD20, hCD16, hHLA-DR, hCD45, hCD8, hCD4,
1142 hCD33, hCD45RA, hCD56, hCD14, mCD45, and containing a LIVE/DEAD viability dye
1143 (ThermoFisher Scientific) was added to each sample and incubated in the dark for 30 min at 4°C.
1144 After staining, 1 mL of FACS buffer was added to each sample, samples were centrifuged at 300
1145 x g for 5 min, washed with 1 mL FACS buffer, centrifuged at 300 x g for 5 min, and then fixed in

1146 200 μ L 4% PFA for 30 min. After fixation cells were washed twice with 1 mL FACS buffer,
1147 resuspended in FACS buffer, and stored protected from light at 4°C until analysis. Human immune
1148 cell subsets were gated as follows: human CD45 $^{+}$, hCD45 $^{+}$ mCD45 $^{-}$; human CD3 $^{+}$, hCD45 $^{+}$
1149 hCD3 $^{+}$; human CD4 $^{+}$, hCD45 $^{+}$ hCD3 $^{+}$ hCD4 $^{+}$; human CD8 $^{+}$, hCD45 $^{+}$ hCD3 $^{+}$ hCD8 $^{+}$; CD20 $^{+}$,
1150 hCD45 $^{+}$ hCD3 $^{-}$ hCD20 $^{+}$; human CD56 $^{+}$, hCD45 $^{+}$ hCD3 $^{-}$ hCD20 $^{-}$ hCD33 $^{-}$ hCD56 $^{+}$. $^{+}$.

1151

1152 **Viral quantification**

1153 **SARS-CoV-2 RT-qPCR.** To determine SARS-CoV-2 RNA copies, RT-qPCR for SARS-CoV-2 E
1154 protein was performed using a One-Step Taqman-based system. Briefly, a 20 μ L reaction mixture
1155 containing 10 μ L of Quanta qScript™ XLT One-Step RT-qPCR ToughMix® (VWR, Radnor, PA,
1156 USA; #76047-082), 0.5 μ M Primer E_Sarbeco_F1 (ACAGGTACGTTAATAGTTAATAGCGT), 0.5
1157 μ M Primer E_Sarbeco_R2 (ATATTGCAGCAGTACGCACACA), 0.25 μ M Probe E_Sarbeco_P1
1158 (FAM-ACACTAGCCATCCTTACTGCGCTTCG-BHQ1), and 2 μ L of total RNA was subjected to
1159 One-Step RT-qPCR using Applied Biosystems QuantStudio 3 (ThermoFisher Scientific), with the
1160 following cycling conditions; reverse transcription for 10 min at 55°C and denaturation at 94°C for
1161 3 min followed by 45 cycles of denaturation at 94°C for 15 sec and annealing/extension at 58°C
1162 for 30 sec. Ct values were determined using QuantStudio™ Design and Analysis software V1.5.1.
1163 Calculations for RNA copies/mL were determined using a SARS-CoV-2 E RNA as a standard.

1164 **Quantification of infectious particles by plaque assay.** SARS-CoV-2 infectious particles in
1165 infected fLX were quantified by plaque assay. After euthanizing mice, tissues were collected in
1166 500 μ L of RNAlater (MilliporeSigma: # R0901500ML) and stored at -80°C. The day prior to
1167 experiments, 8x10 4 cells per well were seeded in a 24-well plate. Between 20 and 30 mg of tissue
1168 was placed into 500 μ L of OptiMEM (ThermoFisher Scientific). Tissues were homogenized using
1169 a Qiagen TissueLyser II (Qiagen) by two dissociation cycles (two min at 1800 oscillations/min)
1170 with one min rest in between. Samples were then subjected to centrifugation at 13,000 rpm for 10
1171 min at room temperature, and supernatant was transferred to a new 1.5 mL tube. From this, 1:10 2

1172 – 1:10⁷ dilutions were made in OptiMEM and 200 µL of each dilution were plated onto a 24-well
1173 plate. Supernatant was incubated at 37°C for 1 h with gentle rocking of the plate every 10 min.
1174 After viral adsorption, 1 mL a 1:1 mixture of 2X DMEM 4% FBS and 2.4% Avicel (Dupont) was
1175 overlaid into each well. Plates were incubated for 72 h at 37°C with 5% CO₂. Avicel was then
1176 removed, cells were washed twice with 1X PBS, and then cells were fixed in 10% buffered
1177 formalin (ThermoFisher Scientific) for 1 h. After fixation, formalin was removed, and cells were
1178 stained with 0.1% crystalline violet in 10% ethanol/water for 1 h and washed with tap water.
1179 Number of plaques were counted, and infectious particles (PFU/mg of tissue) were calculated.

1180

1181 **Histology and microscopy**

1182 **Histologic processing and analysis.** Tissue samples were fixed for 72 h in 10% neutral buffered
1183 formalin, processed in a Tissue-Tek VIP-5 automated vacuum infiltration processor (Sakura
1184 Finetek USA, Torrance, CA, USA), followed by paraffin embedding using a HistoCore Arcadia
1185 paraffin embedding station (Leica, Wetzlar, Germany). Generated formalin-fixed, paraffin-
1186 embedded (FFPE) blocks were sectioned to 5 µm using a RM2255 rotary microtome (Leica),
1187 transferred to positively charged slides, deparaffinized in xylene, and dehydrated in graded
1188 ethanol. Tissue sections were stained with hematoxylin and eosin for histologic examination, while
1189 unstained slides were used for immunohistochemistry. Qualitative and semi-quantitative
1190 histomorphological analyses were performed by a single board-certified veterinary pathologist
1191 (N.A.C.). An ordinal scoring system was developed to capture the heterogeneity of histologic
1192 findings in fLXs. Individual histologic findings that were scored included: syncytial cells, hyaline
1193 membrane, intra-airspace neutrophils and necrosis, hemorrhage, edema, denuded pneumocytes,
1194 capillary fibrin thrombi, intermediate vessel fibrin thrombi and coagulative necrosis. The entire fLX
1195 was examined at 200x with a DM2500 light microscope (Leica) using the following criteria: 0 =
1196 not present, 1 = found in <5% of fields, 2 = found in >5% but <25% of fields, or 3 = found in >25%

1197 of fields. Several criteria were also restricted to 'not observed' (0) or 'observed' (1). Scores were
1198 combined to generate a cumulative lung injury score.

1199 **Multispectral fluorescent imaging.** Fluorescently labeled slides were imaged using either a
1200 Mantra 2.0TM or Vectra PolarisTM Quantitative Pathology Imaging System (Akoya Biosciences). To
1201 maximize signal-to-noise ratios, fluorescently acquired images were spectrally unmixed using a
1202 synthetic library specific for the Opal fluorophores used in each assay plus DAPI. An unstained
1203 fLX section was used to create an autofluorescence signature that was subsequently removed
1204 from multispectral images using InForm software version 2.4.8 (Akoya Biosciences).

1205 **Image analysis of multiplex immunohistochemistry.** Digitized whole slide scans were
1206 analyzed using the image analysis software HALO v3.2 (Indica Labs, Inc., Corrales, NM, USA).
1207 Slides were manually annotated to select regions of interest, excluding accessory skin and
1208 adipose tissue, to ensure inclusion of only the fLX. Visualization thresholds were adjusted in
1209 viewer settings to minimize background signal identification and maximize specificity of signals
1210 for each sample. Quantitative positive pixel analysis outputs were obtained using the Area
1211 Quantification (AQ) module, which reports total area of immunoreactivity of a specified parameter
1212 within a region of annotated interest. Values are given as a percentage of total tissue area
1213 analyzed. Minimum dye intensity thresholds were established using the real-time tuning field of
1214 view module to accurately detect positive immunoreactivity. For quantitative cellular phenotyping,
1215 the fluorescence Highplex (HP) module was utilized. Cells are identified using DAPI to segment
1216 individual nuclei. Minimum cytoplasm and membrane thresholds are set for each dye to detect
1217 positive staining within a cell. Parameters are set using the real-time tuning mechanism that was
1218 tailored for each individual biopsy based on signal intensity. Phenotypes are determined by
1219 selecting inclusion and exclusion parameters relating to stains of interest. This algorithm produces
1220 a quantitative output for each cell phenotype standardized to the area analyzed (cells/ μm^2).

1221 **Transmission electron microscopy.** Tissue samples were fixed for 72 h in a mixture of 2.5%
1222 glutaraldehyde and 2% formaldehyde in 0.1 M sodium cacodylate buffer (pH 7.4). Samples were

1223 then washed in 0.1 M cacodylate buffer and postfixed with 1% osmiumtetroxide (OsO₄)/1.5%
1224 potassiumferrocyanide (KFeCN₆) for 1 h at room temperature. After washes in water and 50 mM
1225 maleate buffer pH 5.15 (MB), the samples were incubated in 1% uranyl acetate in MB for 1 h,
1226 washed in MB and water, and dehydrated in grades of alcohol (10 min each: 50%, 70%, 90%,
1227 2x10 min 100%). The tissue samples were then put in propyleneoxide for 1 h and infiltrated
1228 overnight in a 1:1 mixture of propyleneoxide and TAAB Epon. The following day the samples were
1229 embedded in fresh TAAB Epon and polymerized at 60°C for 48 h. Semi-thin (0.5 µm) and ultrathin
1230 sections (50-80 nm) were cut on a Reichert Ultracut-S microtome (Leica). Semi-thin sections were
1231 picked up on glass slides and stained with toluidine blue for examination by light microscopy to
1232 find affected areas in the tissue. Ultrathin sections from those areas were picked up onto
1233 formvar/carbon coated copper grids, stained with 0.2% lead citrate and examined in a JEOL
1234 1200EX transmission electron microscope (JOEL, Akishima, Tokyo, Japan). Images were
1235 recorded with an AMT 2k CCD camera.

1236

1237 **Proteomics and transcriptomic analysis**

1238 **Mass spectrometry sample preparation.** Inactivated protein extracts were sonicated with a
1239 Branson probe sonicator and were then quantified via Bradford assay. The samples were diluted
1240 with 100 mM Tris, pH 8.5 buffer to lower the GuHCl concentration to 0.75 M. Lysate proteins were
1241 then digested by adding trypsin (Pierce, Waltham, MA, USA) at a 1:50 ratio (enzyme:protein, w/w)
1242 and incubating the samples overnight at 37°C with shaking. Trypsin digestion was terminated with
1243 the addition of TFA to below pH 3 and the peptide digests were desalted via reversed-phase C18
1244 columns (Sep-Pak, Waters, Milford, MA, USA) with a wash buffer of 0.1% TFA and elution buffer
1245 of 60% acetonitrile. The desalted peptides were then quantified with a Quantitative Colorimetric
1246 Peptide Assay (Pierce). Each sample, comprising 100 µg peptides, was TMT-labeled with
1247 TMTPro 16plex reagents (ThermoFisher Scientific: # A44520) as per the manufacturer's protocol.

1248 Labeled peptides were again desalted on a C18 column prior to basic reversed-phase
1249 fractionation.

1250 TMT-labeled peptides were fractionated via basic reversed-phase chromatography on the Agilent
1251 1200 series HPLC instrument equipped with the XBridge Peptide BEH C18 column (130A°, 3.5
1252 mm, 4.6 mm X 250 mm, Waters Corporation). Prior to loading peptides, the C18 column was
1253 washed with 100% methanol and equilibrated with Buffer A (0.1% ammonium hydroxide and 2%
1254 acetonitrile). Peptides were injected via the autosampler and eluted from the column using a
1255 gradient of mobile phase A (2% ACN, 0.1% NH4OH) to mobile phase B (98% ACN, 0.1% NH4OH)
1256 over 48 min at a flowrate of 0.4 mL/min. The 48 fractions collected were orthogonally
1257 concatenated into 12 pooled fractions. Three percent of each fraction was aliquoted and saved
1258 for global proteomic profiling and the remaining 97% of peptides were used for phosphopeptide
1259 enrichment using Fe-NTA magnetic beads (CubeBiotech, Monheim am Rhein, Germany) (Leutert
1260 et al., 2019). Briefly, the fractionated peptides were dried and resuspended in binding buffer (80%
1261 Acetonitrile and 01% TFA). Before being added to the peptides, the Fe-NTA beads were washed
1262 with binding buffer. Peptides were then incubated with the Fe-NTA bead slurry for 20 min in a
1263 Kingfisher Apex magnetic bead transferring system (ThermoFisher Scientific) before being moved
1264 into wash wells. Beads with bound phosphopeptides were washed twice in binding buffer, after
1265 which phosphopeptides were serially eluted twice by moving the beads into wells containing 200
1266 µL of elution buffer (50% acetonitrile and 2.5% ammonium hydroxide). Both phosphopeptide
1267 eluates corresponding to an orthogonal fraction were combined prior to drying in a speedvac.

1268 **Mass spectrometry analysis.** Multiplexed peptide fractions from each time point were
1269 resuspended in mobile phase A solvent (2% acetonitrile and 0.1% formic acid) to be analyzed on
1270 the Exploris 480 mass spectrometer equipped with FAIMS (ThermoFisher Scientific). The mass
1271 spectrometer was interfaced to the Easy nanoLC1200 HPLC system (ThermoFisher Scientific).
1272 Briefly, the peptides were first loaded onto a reverse-phase nanotrap column in mobile phase A,
1273 (75 mm i.d. 3 2 cm, Acclaim PepMap100 C18 3 mm, 100 A°, ThermoFisher Scientific) and

1274 separated over an EASY-Spray column, (ES803A, ThermoFisher Scientific) using a gradient (6%
1275 to 19% over 58 min, then 19% to 36% over 34 min) of mobile phase B (0.1% formic acid, 80%
1276 acetonitrile) at a flowrate of 250 nL/min. The mass spectrometer was operated in positive ion
1277 mode with a capillary temperature of 275°C and a spray voltage of 2500 V. All data was acquired
1278 with the mass spectrometer operating in data dependent acquisition (DDA) mode, with FAIMS
1279 cycling through one of three compensation voltages (-50V, -57V, -64V) at each full scan.
1280 Precursor scans were acquired at a resolution of 120,000 FWHM with a maximum injection time
1281 of 120 ms in the Orbitrap analyzer. The following 0.8 sec were dedicated to fragmenting the most
1282 abundant ions at the same FAIMS compensation voltage, with charge states between 2 and 5,
1283 via HCD (NCE 33%) before analysis at a resolution of 45,000 FWHM with a maximum injection
1284 time of 60 ms. Phosphopeptides were analyzed in the same manner, save for the injection time
1285 being raised to 150 ms to allow for lower abundant analyte to fill the trap.

1286 **Analysis of raw mass spectrometry data.** All acquired MS/MS spectra were simultaneously
1287 searched against the complete SwissProt human proteome (downloaded on 2020-10-20), the
1288 complete SwissProt mouse proteome (downloaded on 2020-10-20), and the Uniprot SARS-CoV-
1289 2 proteome (For side-by-side NRG-L vs. HNFL experiment only; downloaded on 2020-05-03)
1290 using MaxQuant (Version 1.6.7.0), which integrates the Andromeda search engine. TMT reporter
1291 ion quantification was performed using MaxQuant with default settings. Briefly, enzyme specificity
1292 was set to trypsin and up to two missed cleavages were allowed. Cysteine carbamidomethylation
1293 was specified as fixed modification whereas oxidation of methionine and N-terminal protein
1294 acetylation were set as variable modifications. For phosphopeptides serine, threonine and
1295 tyrosine, phosphorylation were specified as variable modifications. Precursor ions were searched
1296 with a maximum mass deviation of 4.5 ppm and fragment ions with a maximum mass deviation
1297 of 20 ppm. Peptide and protein identifications were filtered at 1% FDR using the target-decoy
1298 database search strategy (Elias and Gygi, 2007). Proteins that could not be differentiated based
1299 on MS/MS spectra alone were grouped to protein groups (default MaxQuant settings). A threshold

1300 Andromeda score of 40 and a threshold delta score of 8 was applied to phosphopeptides. The
1301 MaxQuant output files designated “Phospho(STY)sites” and “proteinGroups” were filtered to
1302 remove entries that were either entirely mouse, or in the case of completely homologous peptides,
1303 had annotations of both mouse and human. These two files, filtered to contain only accessions
1304 related to human proteins, were used for data normalization and other statistical analysis using
1305 in-house generated scripts in the R environment.

1306 **Bulk RNA sequencing.** Total RNA was processed from fLX as described above, and sent to BGI
1307 genomics (Hong Kong, China) for library preparation and sequencing (Pair-ends, 100 bp, 20M
1308 reads per sample). Raw FASTQ files were quality-checked with FastQC v0.11.7. Reads were
1309 found to be excellent quality and were aligned to the combined human (GRCh38, Ensembl 101)
1310 and mouse (GRCm38, Ensembl 101) genomes with STAR v2.7.1a followed by quantification with
1311 featureCounts v1.6.2. Quality was checked with MultiQC v1.6. All samples passed quality
1312 thresholds of >75% sequences aligned and >15 million aligned reads per sample. Significantly
1313 up- and downregulated genes were identified with DESeq2 v1.23.10 in R v3.6.0. Three treatment
1314 groups were compared to uninfected samples in turn: 2DPI, 7DPI and 7DPI contralateral. P-
1315 values were FDR-adjusted, and \log_2 fold change was shrunk with the *apeglm* method.
1316 Significance was determined by an FDR-adjusted $p < 0.01$ and a shrunken \log_2 fold change > 2 or
1317 < -2 . DESeq2 results were imported into Ingenuity Pathway Analysis (IPA; Service curated by
1318 Qiagen; Access provided through the Boston University Genome Science Institute) (Kramer et
1319 al., 2014), and a canonical pathway enrichment analysis was performed using the default settings
1320 and the same differential expression thresholds as before (shrunken \log_2 fold change > 2 or < -2
1321 and FDR-adjusted p-value < 0.01).

1322 **Single cell barcoding and sequencing.** Following fLX processing into single cell suspension as
1323 described above, cells were frozen down in a 90% FBS (Bio-Techne, R&D systems) 10% DMSO
1324 solution (ThermoFisher Scientific) and kept at -80°C. Four to five days following freezing, cells
1325 were thawed, and viability was assessed using Trypan blue (Fisher Scientific). Samples with

1326 ≥90% viability were then processed using the Chromium Next GEM Single Cell 3' GEM, Library
1327 & Gel Bead Kit v3.1, as per manufacturer instructions, and single cell barcoding was performed
1328 using a Chromium instrument (10x genomics) located in the NEIDL BSL-3. Reverse transcription
1329 of RNAs was performed in the BSL-3 using a thermocycler (Applied Biosciences), and cDNA was
1330 then removed from containment. Full-length, barcoded cDNAs were then amplified by PCR to
1331 generate sufficient mass for library construction. Enzyme fragmentation, A tailing, adaptor ligation
1332 and PCR were then performed at the Boston University single-cell sequencing core to obtain final
1333 libraries containing P5 and P7 primers used in Illumina bridge amplification. Size distribution and
1334 molarity of resulting cDNA libraries were assessed via Bioanalyzer High Sensitivity DNA Assay
1335 (Agilent Technologies, USA). All cDNA libraries were sequenced on an Illumina NextSeq 500
1336 instrument at the Boston University microarray and sequencing core according to Illumina and
1337 10x Genomics guidelines with 1.4-1.8pM input and 1% PhiX control library spike-in (Illumina,
1338 USA).

1339 **Preprocessing and quality control of single-cell data.** The 10X CellRanger tool was used for
1340 demultiplexing, alignment, identification of cells, and counting of unique molecular indices (UMIs).
1341 Specifically, the CellRanger *makfastq* command was used to demultiplex raw base call (BCL)
1342 files generated by Illumina sequencers into FASTQ files. The CellRanger *count* command was
1343 used to perform alignment and create UMI count matrices using parameters --expect-cells=6000.
1344 Multiple sequence alignments were performed. The reads were first aligned to the combined
1345 GRCh38 & mm10 reference. DecontX (Yang et al., 2020b) was then applied to estimate the cell
1346 contamination scores. The reads were then aligned to the GRCh38 and mm10 references
1347 individually, separating the mouse and human cells. Cells with more than 350 human counts and
1348 less than 250 mouse counts were classified as human, and vice versa. Finally, the reads were
1349 also aligned to a custom reference constructed by adding the SARS-CoV-2 transcriptome to the
1350 GRCh38 reference genome. Droplets with at least 500 UMIs underwent further quality control
1351 with the SCTK-QC pipeline [REF]. The median number of UMIs was 2,685, the median number

1352 of genes detected was 934, the median percentage of mitochondrial reads was 0%, and the
1353 median contamination estimated by decontX (Yang et al., 2020b) was 2% across cells from all
1354 samples. Cells with less than 3 counts, less than 3 genes detected were excluded leaving a total
1355 of 42,182 cells for the downstream analysis.

1356 **Clustering of single-cell data with Celda.** The *celda* package was used to bi-clustering genes
1357 into modules and cells into subpopulations (Wang et al., 2020). The 5,000 most variable features
1358 were selected using the *seuratFindHVG* function from the *singleCellTK* package after excluding
1359 features with less than 3 counts in 3 cells. The *recursiveSplitModule* and *recursiveSplitCell*
1360 functions were used to select the model with 150 modules and 15 cell subpopulations after
1361 examining the Rate of Perplexity Change (RPC). Cells were embedded in two dimensions with
1362 UMAP using the *celdaUmap* function. Heatmaps for specific modules were generated using the
1363 *moduleHeatmap* function. Markers for each cluster were identified with the *findMarkerDiffExp*
1364 function from the *singleCellTK* package using the parameters MAST algorithm (Finak et al., 2015)
1365 and parameters FDR threshold = 0.05. Clusters were annotated manually based on the level of
1366 expression of cluster defining genes and can be found in **Supplemental Item 1**.

1367

1368 ***In vivo* imaging and data analysis**

1369 NRG-L mice were infected with 10^6 PFU of rSARS-CoV-2 NL virus via direct fLX inoculation. For
1370 imaging, mice were injected with 5 μ g (0.25 mg/kg) furimazine substrate (MedChemExpress,
1371 Monmouth Junction, NJ, USA) via tail-vein intravenous injection. Mice were then imaged using a
1372 3D-imaging mirror gantry isolation chamber (InVivo Analytics, New York, NY, USA) and an IVIS
1373 Spectrum imager (PerkinElmer, Waltham, MA, USA). Briefly, mice were anesthetized using
1374 isoflurane (2.5%), placed into a body conforming animal mold (BCAM) (InVivo Analytics) and
1375 imaged within 5 min of injection. Mice were imaged using a sequence imaging file as follows: 60
1376 sec open filter, 240 sec 600 nM, 60 sec open, 240 sec 620 nm, 60 sec open, 240 sec 640 nm, 60
1377 sec open, 240 sec 660 nm, 60 sec open, 240 sec 680 nm, 60 sec open using an IVIS Spectrum

1378 imager (PerkinElmer). Data analysis of planar imaging was conducted using LivingImage
1379 (PerkinElmer). 3D reconstitution of bioluminescence signals was conducted manually by InVivo
1380 Analytics.

1381

1382 **Statistical Analysis**

1383 For histopathological score and viral loads/titers comparison, Kruskal-Wallis or a two-way ANOVA
1384 with Benjamini, Krieger, and Yekutieli correction for multiple comparisons were applied given the
1385 non-continuous nature of the data (i.e., viral inoculation in areas displaying differential stage of
1386 tissue development, and/or differences in fLX engraftment, and/or donor/gestational age
1387 differences). A two-way ANOVA with Benjamini, Krieger, and Yekutieli correction for multiple
1388 comparisons was also used to generate the ISG *p.value* heatmap given the non-parametric nature
1389 of these data. For quantitative analysis of hematopoietic cell infiltration (i.e. multiplex IHC and
1390 flowcytometry data), Welch's t-test or one-way ANOVA tests were used. For comparison of viral
1391 gene count between macrophage clusters and other clusters, a Mann-Whitney t-test was used.
1392 All statistical tests and graphical depictions of results were performed using GraphPad Prism
1393 version 9.0.1 software (GraphPad Software, La Jolla, CA). For all tests, $p \leq 0.05$ was considered
1394 statistically significant. Statistical significance on figures and supplemental figures is labelled as
1395 follow: * $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$, **** $p \leq 0.0001$.

1396

1397 **Data deposition**

1398 The mass spectrometry proteomics data have been deposited to the ProteomeXchange
1399 Consortium via the PRIDE (Perez-Riverol et al., 2019) partner repository with the dataset identifier
1400 PXD025851. Transcriptomic data generated during this study are available through the National
1401 Center for Biotechnology Information Gene Expression Omnibus (GEO) under series accession
1402 no. GSE180063.

1403

1404 **SUPPLEMENTAL INFORMATION**

1405 **Supplemental Figures**

1406 **Figure S1. Related to Figure 1. Engraftment of NRG-L mice with human fetal lung**
1407 **xenografts (fLX).**

1408 **A.** An NRG-L mouse engrafted with pairs of human fLX (red ellipse).

1409 **B.** Left and right fLX following extraction from an NRG-L mouse 4 weeks post engraftment.

1410 **C.** Bilateral fetal lung xenografts (fLX) subcutaneously implanted in NRG mice. Recruitment of
1411 subcutaneous murine blood vessels is highlighted in the inset (black arrows).

1412 **D-E.** Representative integration of murine and human blood vessels in human fLX following
1413 engraftment. (D) Integration of murine and human blood vessels at the interface of murine
1414 subcutis (left of the black hash line) and fLX (right of the black hash line). (E) Both human and
1415 murine blood vessels are present within the fetal lung xenograft interstitium. Purple (murine CD31)
1416 and brown (human CD31) duplex IHC, 200x (top, bar=100um), 400x total magnification (bottom,
1417 bar=50um).

1418 **F-M.** Representative fetal lung xenografts tissue sections displaying heterogenous stages of lung
1419 maturation and differentiation affiliated with differential expression of ACE2 (host receptor for
1420 SARS-CoV-2), Prosurfactant Protein C (SFTPC-Alveolar type II pneumocyte differentiation), and
1421 CD31 (endothelium-human specific). (F-G) Pseudoglandular phenotype, columnar to cuboidal
1422 pneumocytes with high expression of ACE2 and SFTPC, forming glandular like structures
1423 supported by prominent mesenchymal stroma with high vascular density. (H-I) Canalicular
1424 phenotype, low cuboidal pneumocytes with moderate sporadic expression of ACE2 and SFTPC,
1425 retraction of mesenchymal stroma, decreased vascular density, and formation of coalescing
1426 airspaces with loss of distinct glandular like structures. (J-K) Saccular phenotype, further
1427 enlargement of airspaces lined by squamous epithelium with low to moderate expression of ACE2
1428 and SFTPC, formation of distinct septal like structures, and low vascular density. (L-M) Bronchiole
1429 differentiation, columnar to pseudostratified ciliated epithelium with apical ACE2 expression and

1430 absence of SFTPC. F,H,J,L: Hematoxylin and Eosin (H&E), magnification 100x, scale
1431 bar=200um. G,I,K,M: fluorescent multiplex immunohistochemistry (mIHC), magnification 200x,
1432 scale bar =100um. DAPI-grey, ACE2 (magenta), SFTPC (teal), & CD31-Human (green).

1433

1434 **Figure S2. Related to Figure 1. Inoculation of NRG-L fLX mice with SARS-CoV-2.**

1435 **A.** Gating strategy for analyzing the human hematopoietic compartment in naïve fLX following
1436 engraftment.

1437 **B.** Representative flow cytometry dot plots delineating the basic architecture of human
1438 hematopoietic compartment in fLX (top, lung xenograft) and spleen (bottom) of non-infected NRG-
1439 L mice.

1440 **C.** Frequencies of human and mouse CD45⁺ cells in the fLX (top) and spleen (bottom) of non-
1441 infected NRG-L mice. n=3 fLX. Mean±SEM.

1442 **D.** Frequencies of human CD3⁺, CD19⁺, CD33⁺ CD11c⁺, and CD56⁺ cells in fLX (top) and spleen
1443 (bottom) of non-infected NRG-L mice. n=3 fLX. Mean±SEM.

1444 **E-G.** Probability of survival (E), weight loss (F), and temperature change (G) of NRG-L mice
1445 following subcutaneous inoculation with 10⁴ PFU (n=6, blue) or 10⁶ PFU (n=9,red) of SARS-CoV-
1446 2, or with PBS (n=1, black).

1447 **H.** Macroscopic representative evidence of pathology in inoculated fLX. (left) Uninoculated
1448 control, soft doughy, homogenous pale tan to white fLX. (right) 7 days post SARS-CoV-2 infection,
1449 areas of red (black arrow) and pale tan to yellow (asterisk) were histologically confirmed to
1450 represent hemorrhage and coagulative necrosis, respectively.

1451 **I-L.** Representative SARS-CoV-2 N IHC on inoculated fLX tissue section (2DPI: I,J; 7DPI: K,L)
1452 from NRG-L mice using 10⁴ PFU of SARS-CoV-2. I,K: 200x, scale bar=100μm; J,L: 400x, scale
1453 bar=50 μm.

1454 **M-O.** Representative SARS-CoV-2 N IHC on naive (M) and inoculated fLX tissue section (2DPI:
1455 N; 7DPI: O) from NRG-L mice using 10⁶ PFU of SARS-CoV-2. 400x, scale bar=50 μm.

1456 **P.** Representative SARS-CoV-2 N IHC on inoculated fLX tissue section (2DPI) from NRG-L mice
1457 using 10^6 PFU of SARS-CoV-2, with a focus on the bronchiole epithelium. 200x, scale bar=100
1458 μm .

1459 **Q.** Representative SARS-CoV-2 N IHC on non-inoculated contralateral fLX tissue section (7DPI)
1460 from infected NRG-L mice using 10^6 PFU of SARS-CoV-2. 200x, scale bar=100 μm .

1461 **R.** SARS-CoV-2 viral RNA quantification by RT-qPCR in the serum of non-infected (naïve) and
1462 infected animals at 2DPI and 7DPI using 10^6 SARS-CoV-2 PFU (n=4-10 fLX). Limit of detection
1463 (LOD) is shown as a dotted line and represent mean viremia (n=4) in non-infected mice. n=4-10.
1464 Mean \pm SEM, Kruskal-Wallis test, ns, non-significant.

1465 **S-V.** Planar *in vivo* imaging of SARS-CoV-2 infection in an NRG-L mouse, following inoculation
1466 with rSARS-CoV-2-NL (10^6 PFU) in the left fLX. These images were used to calculate
1467 bioluminescent signals (photons/second/mm³) reported in Figure 1S-T, using defined regions of
1468 interest (ROI) that are shown in panel S.

1469

1470 **Figure S3. Related to Figure 2. Histopathological characterization of SARS-CoV-2 infection.**

1471 **A.** Histopathologic score of ten specific histopathological manifestations observed in fLX
1472 inoculated with 10^4 or 10^6 PFU of SARS-CoV-2 at 2DPI and 7DPI. Sum of the ten score for each
1473 mouse was used to calculate cumulative histopathologic score shown in Figure 2A. n=5-10 fLX.
1474 mean \pm SEM, two-way ANOVA * $p\leq 0.05$, ** $p\leq 0.01$.

1475 **B.** Histopathologic score of ten specific histopathological manifestations observed in fLX
1476 inoculated with 10^6 PFU of SARS-CoV-2 at 2DPI and 7DPI in comparison to naïve/Contralateral
1477 (CL) fLX. Sum of the ten score for each mouse was used to calculate cumulative histopathologic
1478 score shown in Figure 2B. n=8-12 fLX. mean \pm SEM, Kruskal-Wallis test * $p\leq 0.05$, ** $p\leq 0.01$,
1479 *** $p\leq 0.001$.

1480 **C-N.** Temporal analysis of SARS-CoV-2 infection in the lungs of K18-hACE2 mice prior infection
1481 (C-E), at 2DPI (F-H,L) and 7DPI (I-K,M-N). Representative (n=3 mice/group) histological changes

1482 (D,G,J) and SARS-CoV-2 Spike antigen (E,H,K,L-N) distribution and abundance are shown. (C-
1483 E) PBS/Sham uninfected controls had no appreciable histologic changes and SARS-CoV-2 S
1484 antigen was not observed. (F-H, L) At 2DPI, mild to moderate multifocal interstitial pneumonia
1485 with occasional reactive endothelium lining blood vessels and abundant SARS-CoV-2 S antigen
1486 within alveolar type 1 & 2 pneumocytes (AT1 & AT2). (I-K,M-N) At 7DPI, increased interstitial
1487 histiocyte and lymphocyte infiltrates with lesser numbers of neutrophils. SARS-CoV-2 Spike was
1488 observed in histologically normal lung tissues but not in areas of prominent inflammation. H&E
1489 and DAB (SARS-CoV-2 Spike antigen), 50X (C,F,I: scale bar = 400 μ m), 100X (D,G,J,E,H,K:
1490 scale bar = 200 μ m), 200x (L,M: scale bar = 100 μ m), 400x (N: scale bar = 50 μ m) total
1491 magnification.

1492

1493 **Figure S4. Related to Figure 2. Ultrastructural characterization of SARS-CoV-2 infection.**

1494 **A.** Suspected viral budding events (asterisks). Inset magnification is shown at the top right. Spike
1495 proteins can be observed (arrow).

1496 **B.** Binucleate type II pneumocyte syncytial cell with chromatin condensation and nuclear pyknosis
1497 with extracellular virions admixed with necrotic cellular debris and lamellar bodies.

1498 **C-D.** (C) Dying pneumocyte in the airspace filled with viral particles being released in the
1499 extracellular milieu. (D) Magnified inset (2X) from panel C.

1500 **E.** Virus replication centers within the cytoplasm of type II pneumocyte.

1501 **F.** Occlusion of vascular lumen by polymerized fibrin. Adjacent endothelium is abruptly absent
1502 suggestive of necrosis.

1503

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1507 **Figure S5. Related to Figure 3. Transcriptomic and proteomic characterization of SARS-**
1508 **CoV-2 infection in NRG-L mice.**

1509 **A-B.** Host transcript frequencies (A; human, mouse, and SARS-CoV-2) and SARS-CoV-2 gene
1510 counts (B) in naïve fLX (n=4), as well as in 2DPI (n=4), 7DPI (n=8) and contralateral fLX (n=3)
1511 used for bulk transcriptomic.

1512 **C.** PCA plots of 2DPI (left; n=4), 7DPI (middle; n=6) and contralateral (right; n=3) samples vs.
1513 naïve samples following bulk transcriptomic analysis.

1514 **D.** Number of downregulated (left) and up-regulated (right) transcripts overlapping or not between
1515 2DPI (n=4), 7DPI (n=6) and contralateral (n=3) fLX samples.

1516 **E.** Normalized count of IFNB1 and IFNL1 transcripts in naïve, 2DPI (n=4), 7DPI (n=6) and
1517 contralateral (n=3) fLX samples. Adjusted p-values in comparison to naïve fLX are indicated.

1518 **F.** Cluster heatmap representing protein up- (z-score>0) and downregulated (z-Score<0) in NRG-
1519 L fLX at 7DPI (n=7, 10⁶ PFU of SARS-CoV-2) in comparison to naïve fLX (n=5).

1520 **G.** Cluster heatmap representing protein up- (z-score>0) and downregulated (z-Score<0) in NRG-
1521 L fLX at 7DPI (n=7, 10⁶ PFU of SARS-CoV-2) in comparison to 2DPI (n=4) fLX.

1522 **H.** Protein pathway enrichment analysis at 7DPI in comparison to naïve fLX. Level of enrichment
1523 for each protein pathway is colored coded.

1524

1525 **Figure S6. Related to Figure 3. Phospho-proteomic characterization of SARS-CoV-2**
1526 **infection in NRG-L mice.**

1527 **A-B.** Cluster heatmap representing proteins with up- (z-score>0) and down- phosphorylation (z-
1528 Score<0) in NRG-L fLX at 2DPI (A; n=4) and at 7DPI (B; n=7) (10⁶ PFU of SARS-CoV-2) in
1529 comparison to naïve (n=5) fLX.

1530 **C-D.** Volcano plots displaying differentially phosphorylated proteins at 2DPI (C, n=4) and 7DPI
1531 (D, n=7) in inoculated fLX of NRG-L mice in comparison to naïve (n=5) fLX. Proteins with $p \leq 0.05$

1532 (horizontal dashed line) and with $\log FC \geq 1$ or ≤ -1 (vertical dashed lines) are considered
1533 significantly up- or downregulated respectively.

1534 **E-F.** Protein pathway enrichment analysis at 2DPI (E; n=4) and 7DPI (F; n=7) in comparison to
1535 naïve fLX (n=3). Level of enrichment for each protein pathway is colored coded.

1536

1537 **Figure S7. Related to Figure 5 and 6. Characterization of SARS-CoV-2 infection in HNFL
1538 mice.**

1539 **A.** t-SNE plots displaying clustered expression (scaled expression) of several transcripts coding
1540 for several human myeloid, inflammatory, and regulatory markers (CD33, CD14, CD68, IL1 β ,
1541 IL10) in naïve HNFL fLX (n=2). Cluster defining genes (i.e. whose expression level is significantly
1542 associated with a given cluster) have their name followed with an asterisk, and Log2FC value are
1543 indicated near the corresponding cluster(s). MP, macrophages.

1544 **B.** Volcano plots displaying differentially expressed proteins in naïve HNFL (n=4) vs. NRG-L (n=4)
1545 fLX following side-by-side analysis by mass spectrometry run. Proteins with $p \leq 0.05$ (horizontal
1546 dashed line) and with $\log FC \geq 1$ or ≤ -1 (vertical dashed lines) are considered significantly up- or
1547 downregulated respectively.

1548 **C.** Quantification of tissue area immunoreactive for CD68 (% of analyzed tissue) using Halo Image
1549 analysis in naïve fLX from HNFL and NRG-L mice. n=3-8. Mean \pm SD, Welch's t test **** $p \leq 0.0001$.

1550 **D.** SARS-CoV-2 viral RNA quantification by RT-qPCR in inoculated fLX of NRG-L or NRGF-L (no
1551 HSC engraftment) at 2DPI following SARS-CoV-2 inoculation (10^6 PFU) (n=3 fLX per group). Limit
1552 of detection is showed as a dotted line (LOD) and represent mean viral load (n=7) in naïve fLX
1553 extracted from NRG-L and NRGF-L mice. Mean \pm SEM, Kruskal-Wallis test, ns non-significant.

1554 **E.** Histopathologic score of four selected specific histopathological manifestations observed in
1555 NRG-L (n=8-12) and HNFL (n=4) fLX inoculated with 10^6 PFU of SARS-CoV-2 at 2DPI and 7DPI.
1556 Sum of all the histopathologic score recorded for each fLX analyzed was used to calculate

1557 cumulative histopathologic score shown in Figure 5K. Mean \pm SEM, two-way ANOVA * $p\leq 0.05$,
1558 ** $p\leq 0.01$, *** $p\leq 0.001$.

1559 **F.** Gating strategy (Flow cytometry dot plots) used to delineate the human hematopoietic
1560 compartment in naïve and inoculated HNFL fLX.

1561 **G-H.** Volcano plots displaying differentially phosphorylated proteins at 2DPI in inoculated fLX of
1562 NRG-L mice (F) and HNFL mice (G) following side-by-side sample analysis by mass
1563 spectrometry. Proteins with $p\leq 0.05$ (horizontal dashed line) and with $\log_{10}FC\geq 1$ or ≤ -1 (vertical
1564 dashed lines) are considered significantly up- or downregulated respectively. Naïve, n=4; 2DPI,
1565 n=4.

1566 **I.** Significantly ($p\leq 0.05$) differentially expressed transcripts (upregulated, red; downregulated,
1567 blue) in inoculated HNFL fLX at 7DPI (n=3) following SARS-CoV-2 infection (10^6 PFU) in
1568 comparison to naïve HNFL fLX (n=2). Fold changes were derived from single-cell RNAseq
1569 datasets and were computed using MAST. Transcripts with $p\leq 10^{-100}$ (horizontal dotted line) and
1570 with \log_2 fold change ≥ 0.2 or ≤ -0.2 (vertical dotted lines) are highlighted.

1571 **J-K.** t-SNE plots displaying clustered expression (scaled expression) of several transcripts coding
1572 for human cell surface markers, cytokines and ISGs in the human compartment of HNFL fLX at
1573 7DPI (J) and at 2DPI (K). (J) Myeloid, inflammatory, and regulatory markers expression (CD33,
1574 CD14, CD68, IL1 β , IL10) in inoculated fLX at 7DPI. (K) ISG expression (OAS1-2, MX2, DDX58
1575 and IFI44L) in inoculated HNFL fLX at 2DPI. Cluster of interest are indicated with a dotted circle,
1576 and each cluster name is indicated at the left of each panel (AIM, activated inflammatory
1577 macrophages; ARM, activated regulatory macrophages; SSM, steady-state macrophages; DC,
1578 dendritic cells; Fib, fibroblasts; Mon, monocytes). Cluster defining genes (i.e. whose expression
1579 level is significantly associated with a given cluster) have their name followed with an asterisk,
1580 and Log2FC value are indicated near the corresponding cluster(s). Naïve, n=2; 2DPI, n=3;
1581 7DPI=3.

1582 **L.** Viral gene count per cluster, segregated between activated macrophage clusters (AM) and all
1583 other (Others). n=29 clusters. Mean±SD, Mann-Whitney t-test, *** $p\leq 0.001$.

1584

1585 **Supplemental items**

1586 **Supplemental item 1. Related to Figure 1,4 and 6.** Single-cell RNA sequencing gene-defining
1587 clusters and cluster annotation (Excel file).

1588 **Supplemental item 2. Related to Figure 1.** Time-lapse (2DPI, 4DPI, 6DPI and 12DPI) 3D *in vivo*
1589 imaging of SARS-CoV-2 infection (mp4 file)

1590 **Supplemental item 3. Related to Figure 3.** List of differentially expressed genes and IPA scores
1591 from bulk RNA sequencing analysis (Excel file)

1592 **Supplemental item 4. Related to Figure 3.** Proteomic analysis Matrix_NRG-L only (Excel file)

1593 **Supplemental item 5. Related to Figure 3.** Phospho-proteomics analysis Matrix_NRG-L only
1594 (Excel file)

1595 **Supplemental item 6. Related to Figure 5.** Proteomic analysis Matrix_NRG-L vs. HNFL (Excel
1596 file)

1597 **Supplemental item 7. Related to Figure 5.** Phospho-proteomics analysis Matrix_NRG-L vs.
1598 HNFL (Excel file)

1599

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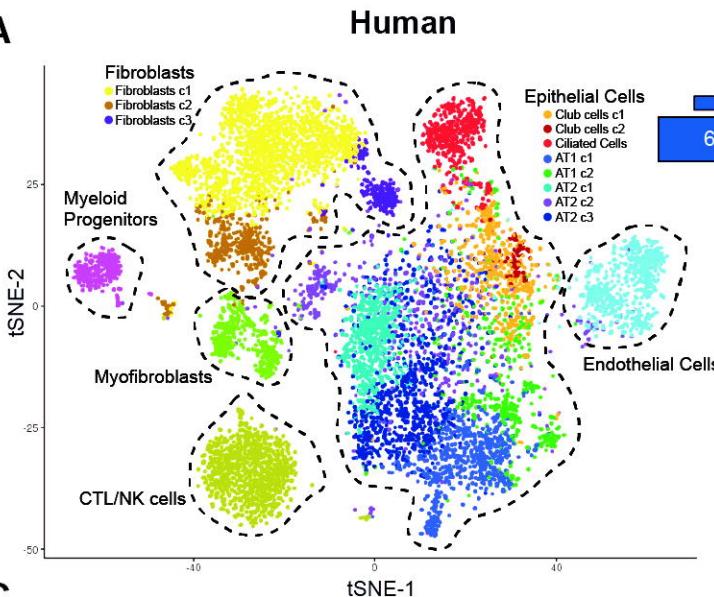
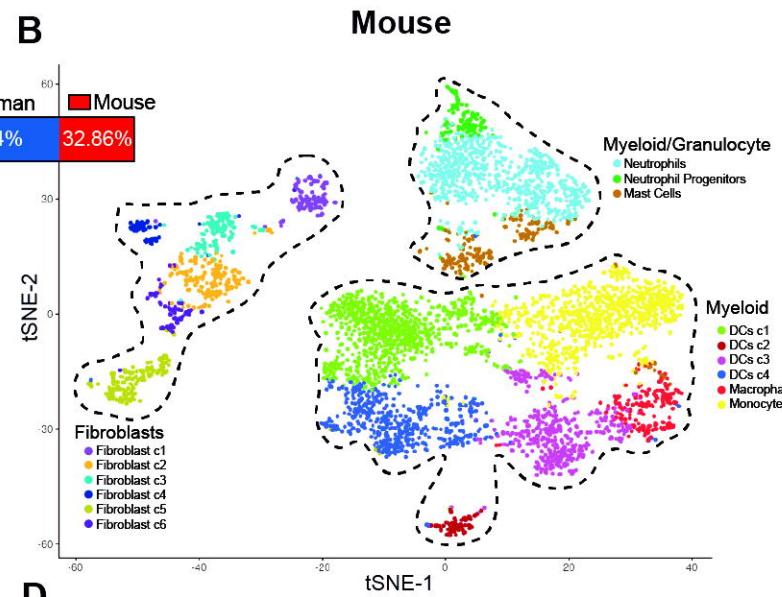
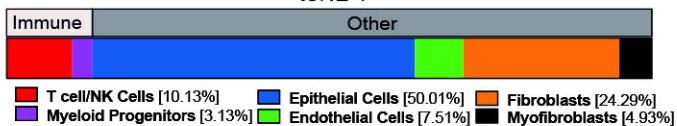
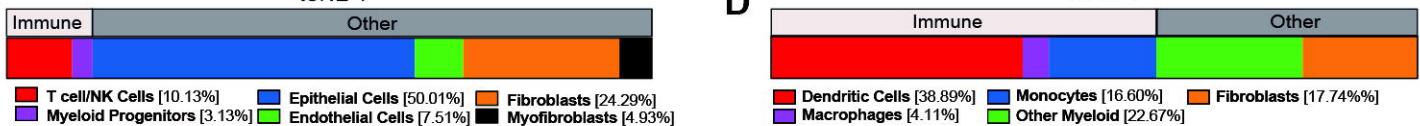
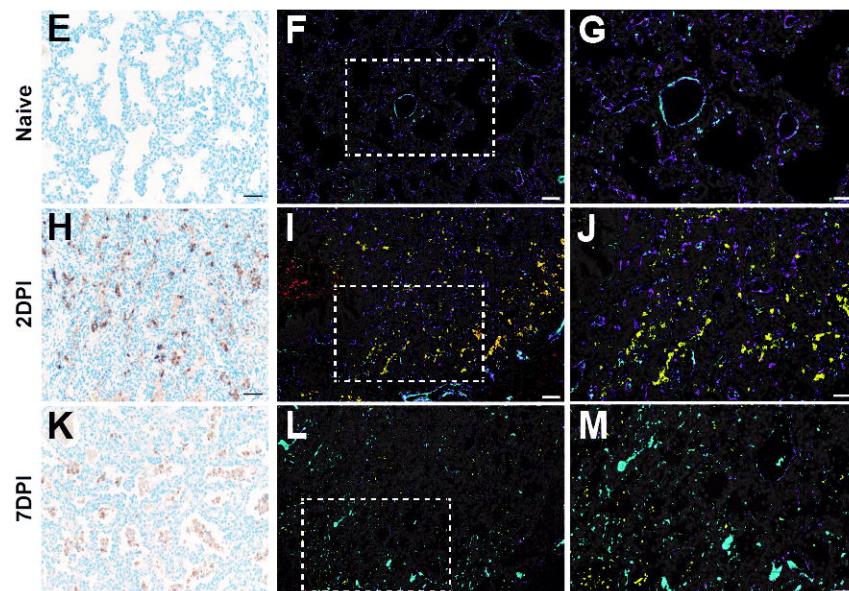
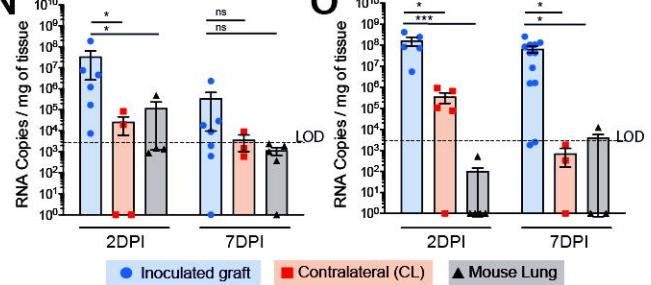
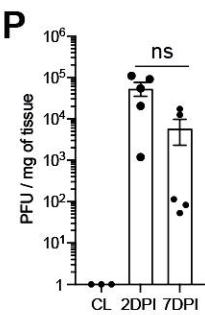
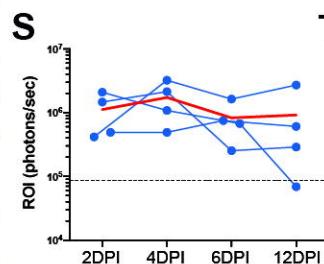
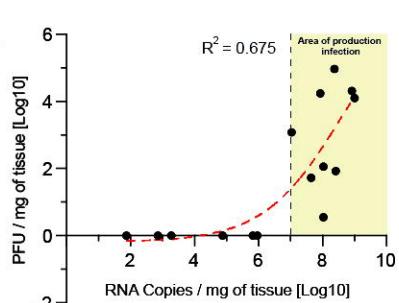
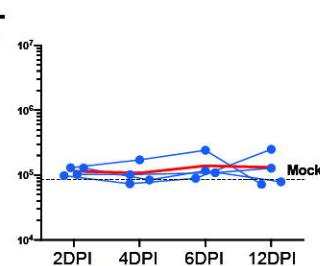
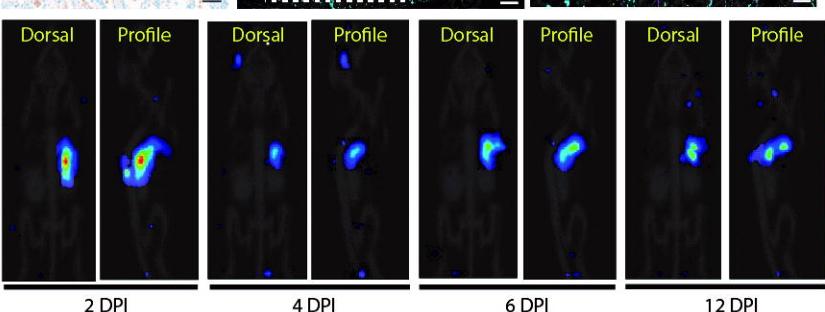
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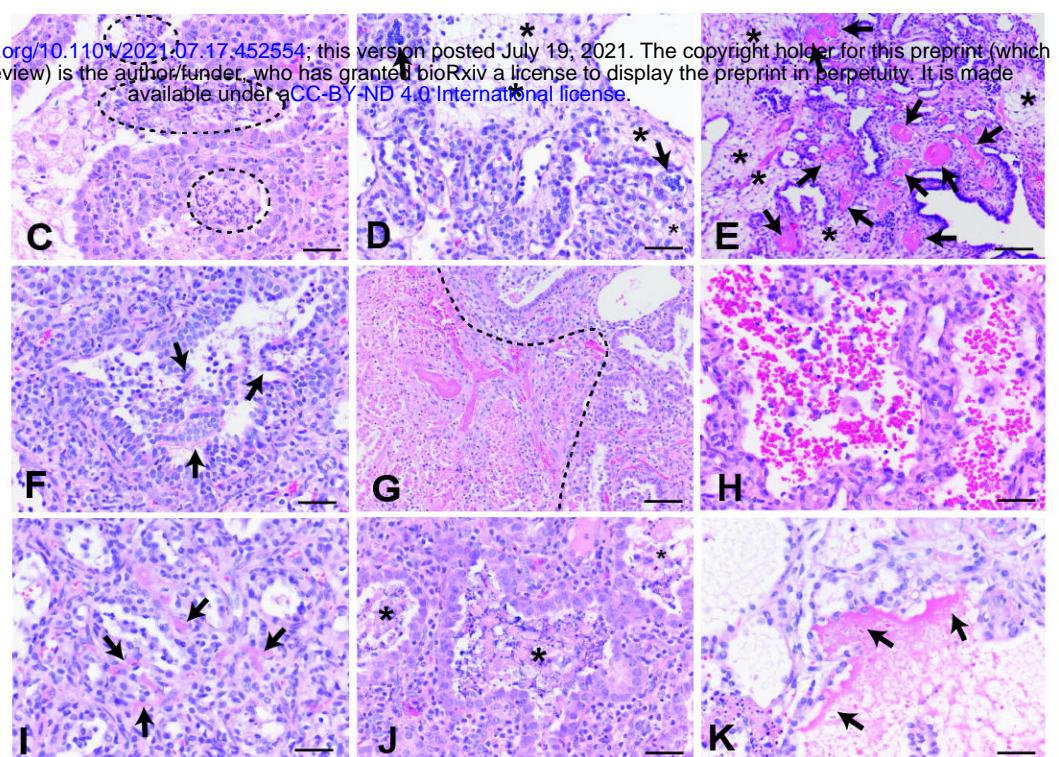
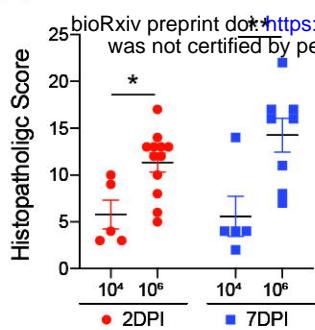
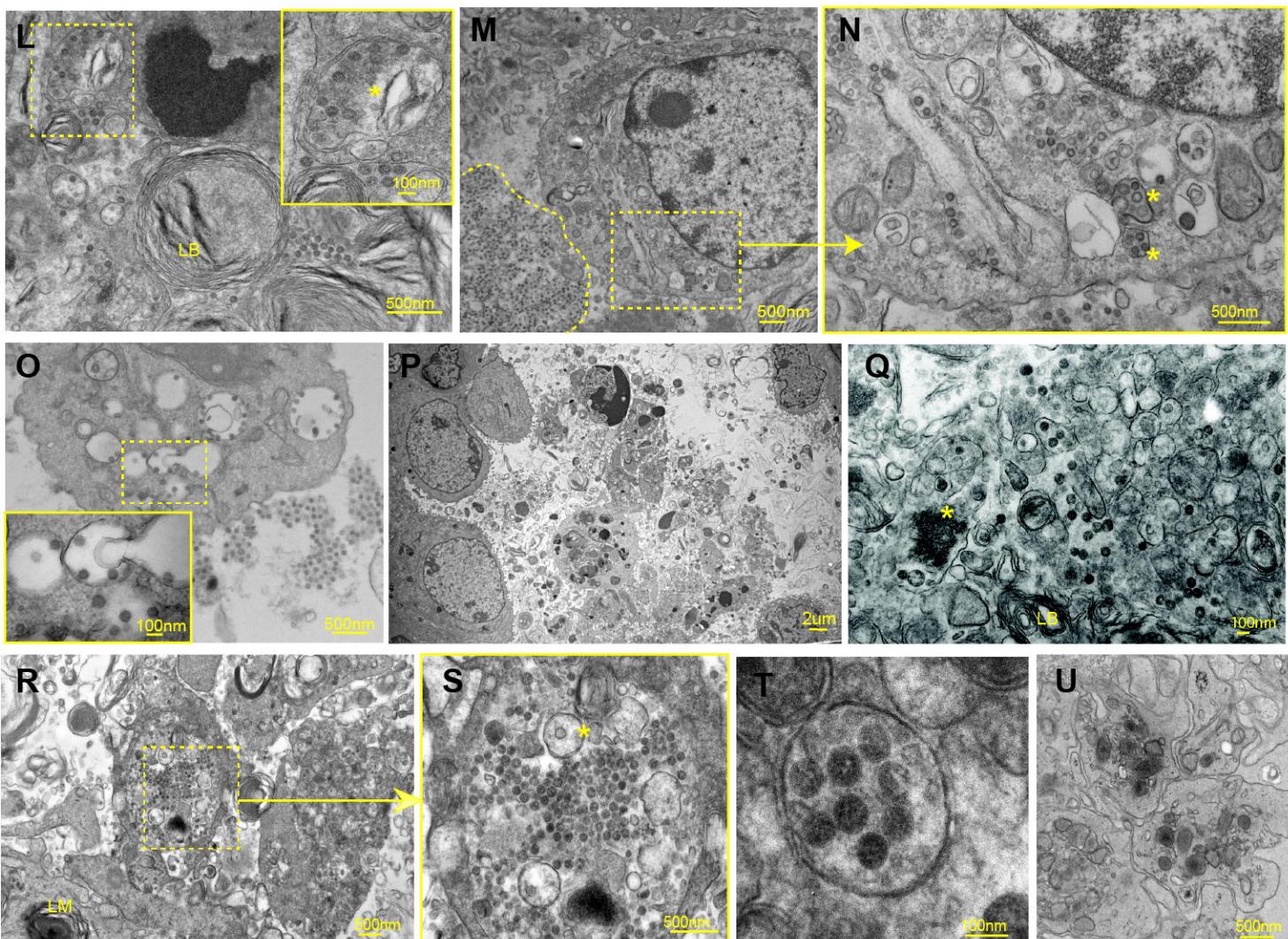
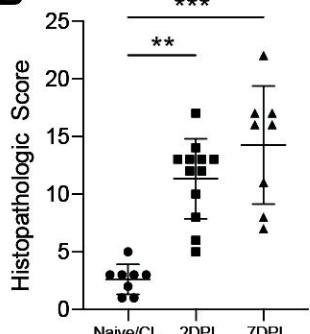
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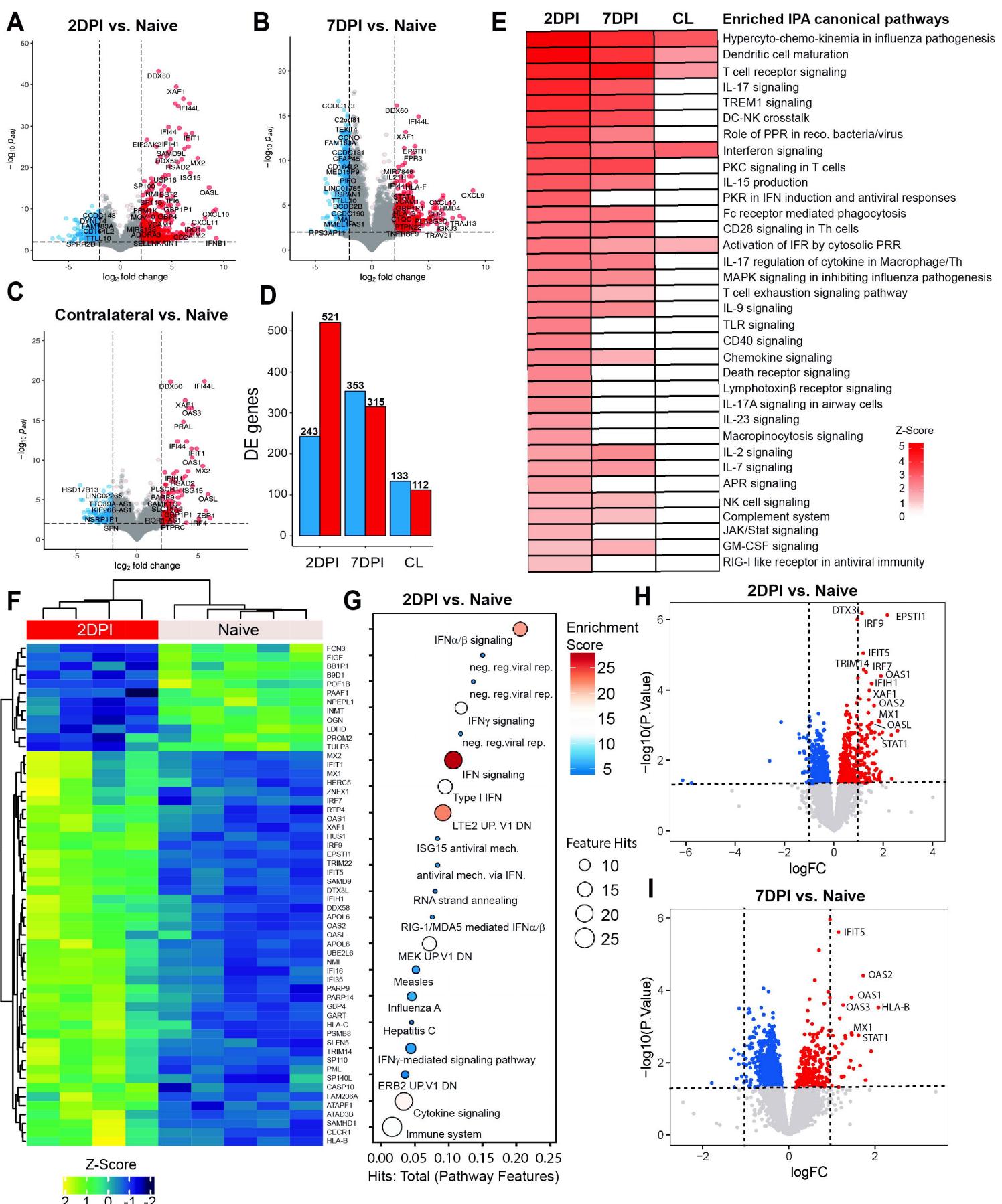
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A**B****C****D****E****N****P****S****Q****T****R****Figure 1**

A**B****Figure 2**



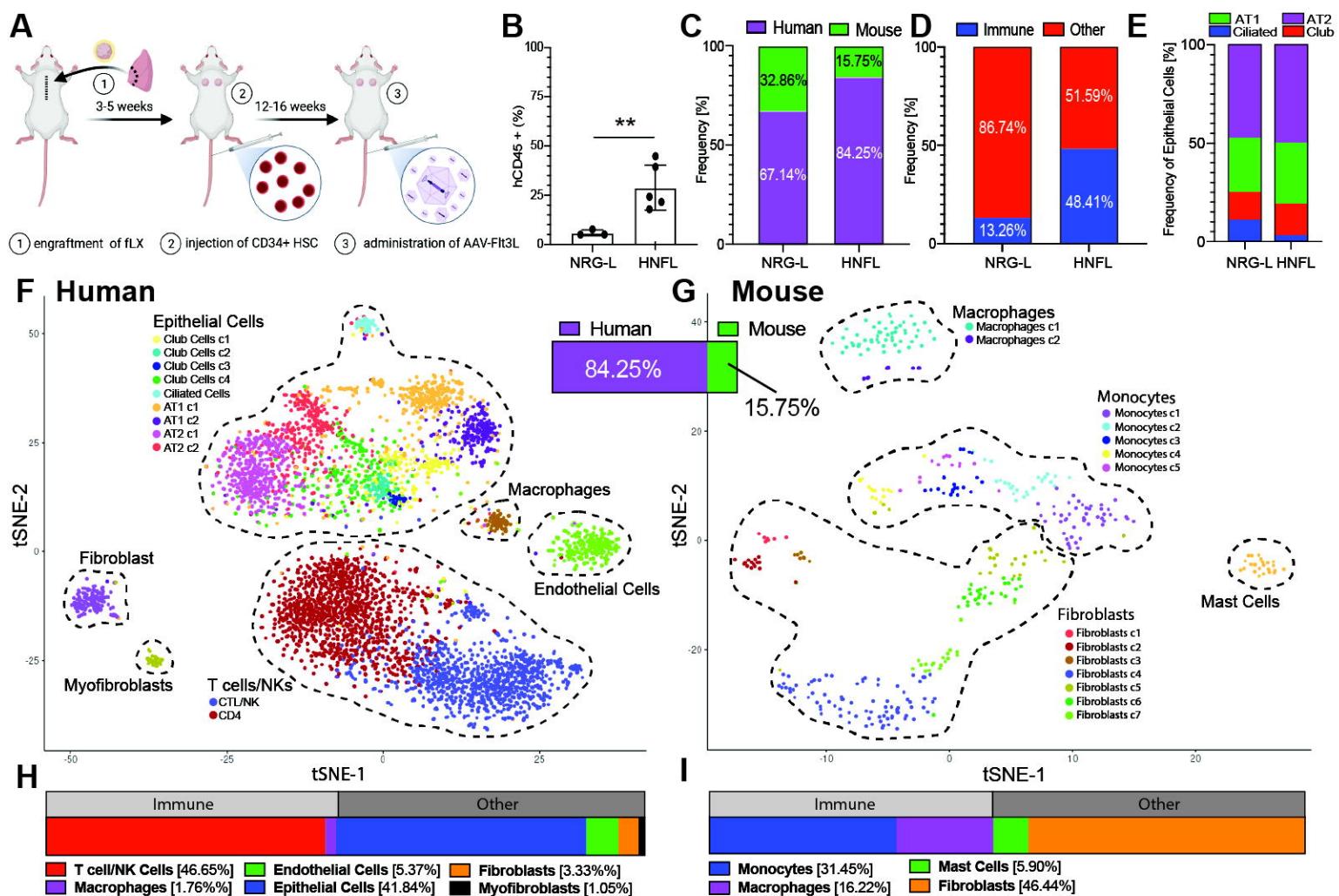


Figure 4

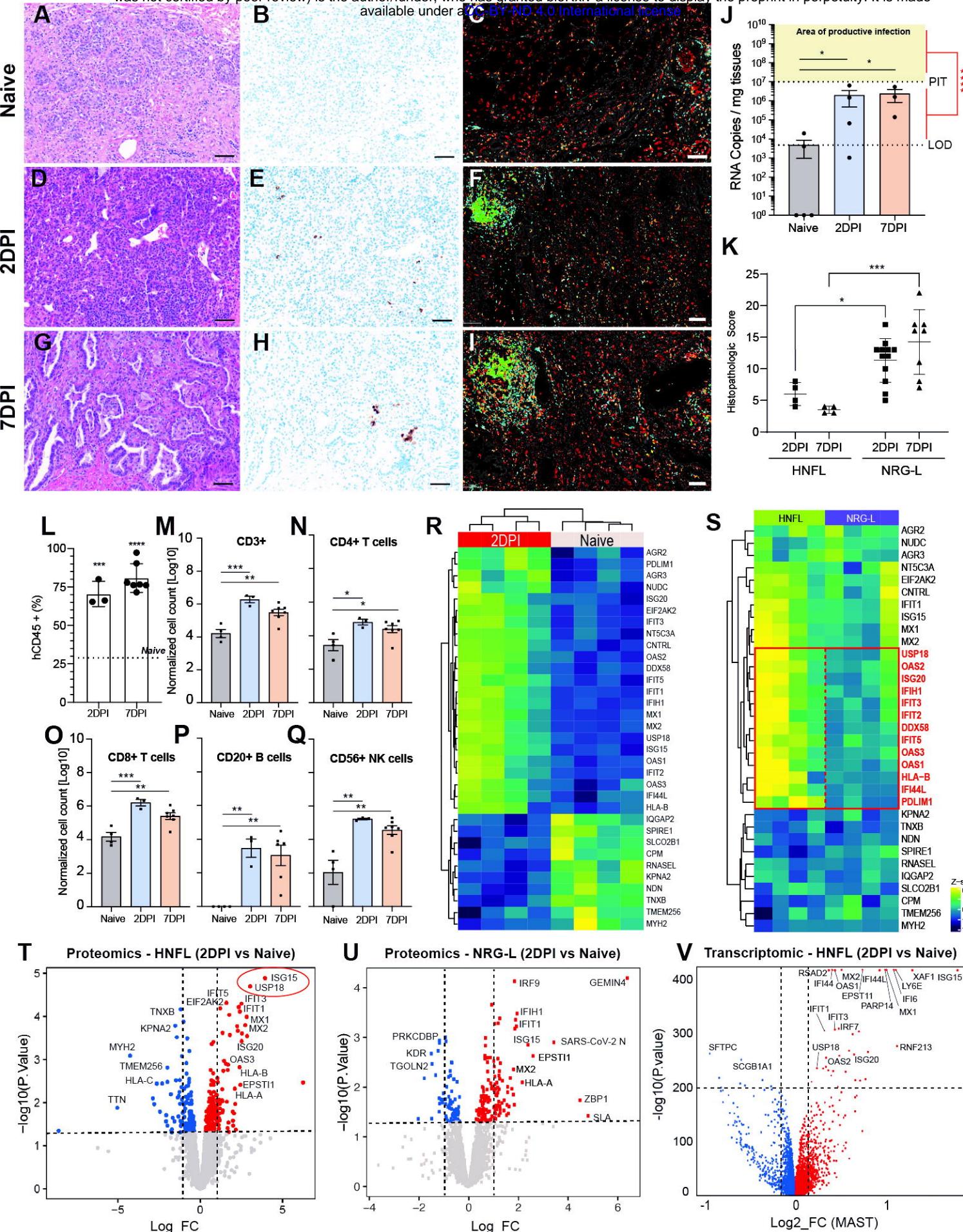
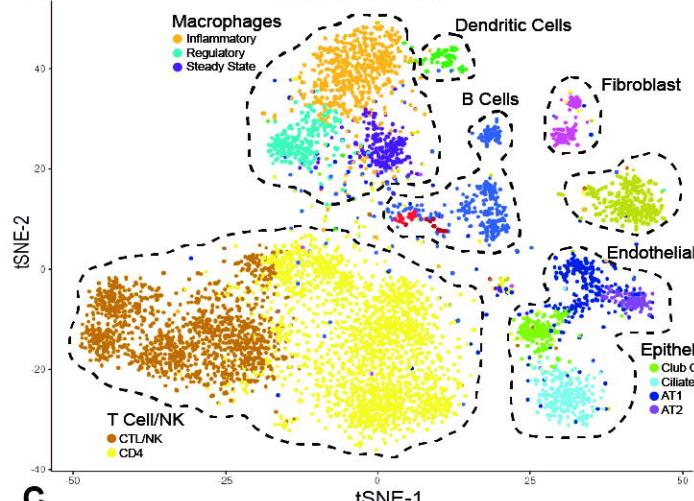


Figure 5

HNLF-2DPI



HNLF-7DPI

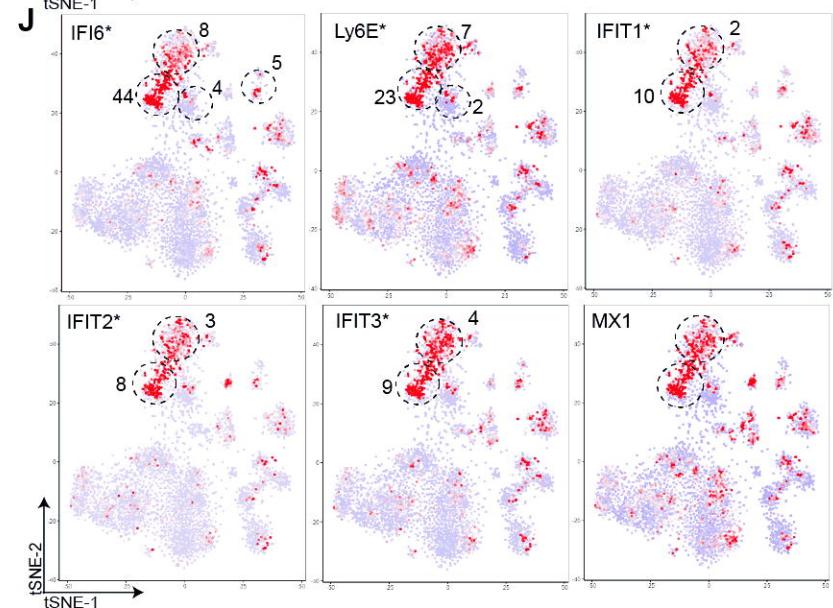
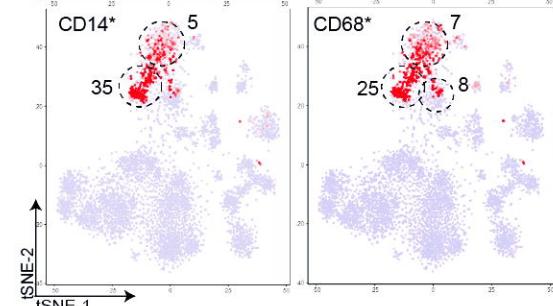
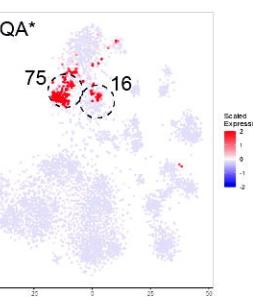
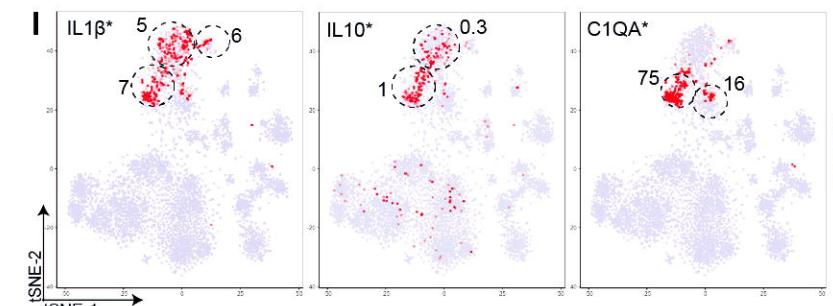
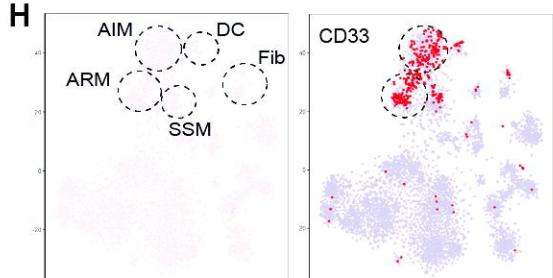
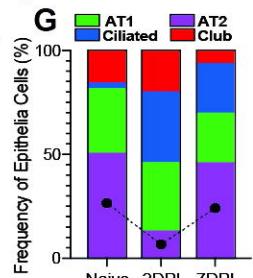
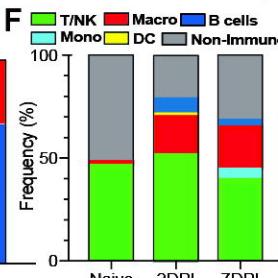
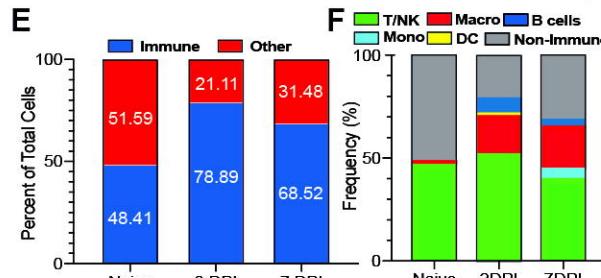
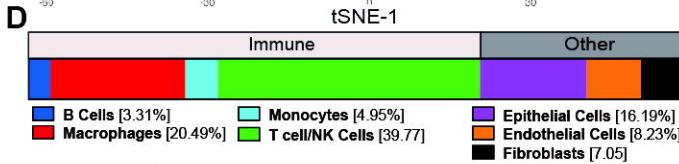
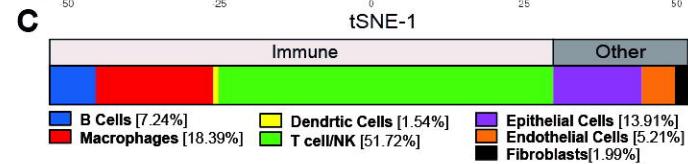
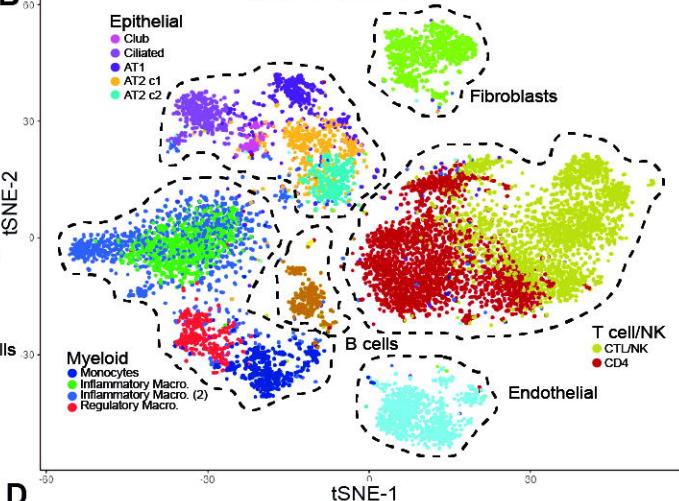
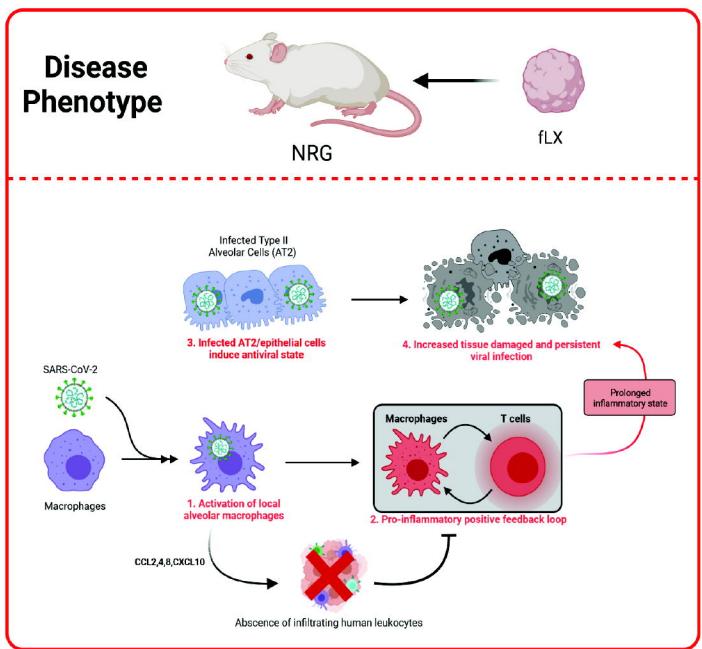
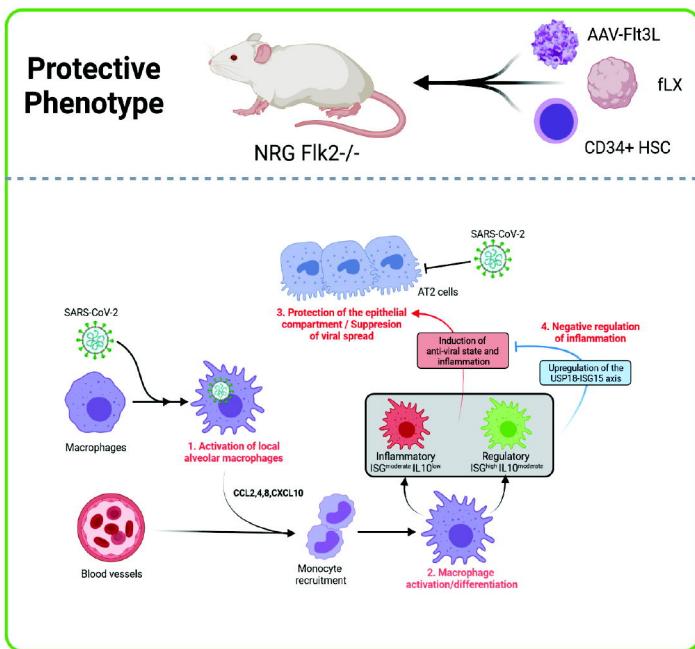


Figure 6

A**B****Figure 7**