

## Epic Games Obtains \$1.25 Billion in Venture Capital Investment

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Epic Games, the developer of the hottest online game, Fortnite, recently [announced](#) that it raised \$1.25 billion in the company's latest round of investment. Epic Games' newest investors include the KKR private equity firm, Iconiq Capital, and the aXiomatic group.

Fortnite is an online, "battle-royale" style game in which 100 players fight for survival on a deserted island. Fortnite is free to play, but players can purchase in-game currency to access outfits and special character interactions like dances. Fortnite has reportedly [raked in](#) over \$1 billion in revenue from these in-game transactions alone.

Viewership of Fortnite content on Twitch.tv, through which people broadcast themselves playing video games, averages almost 140,000 concurrent viewers. Fortnite streamers like Tyler "Ninja" Blevins have thereby rapidly transformed into online celebrities.

The recent success of online video games has facilitated the growth of competitive gaming, or "esports." The 2017 League of Legends World Championship boasted 80 million unique viewers, surpassing both the NBA Finals and the Super Bowl of that year. Fortnite has yet to establish a robust competitive scene. However, Epic Games has pledged \$100 million in prize money to Fortnite competitions over the next two years.

While Fortnite's success has been astonishing, its future may not be all buds and roses. Fortnite's Twitch viewership peaked in July and has been steadily dropping. [Some analysts speculate](#) that Fortnite's popularity has hit a ceiling. Although Epic Games plans to move into the 3D technology market, investing in any video game company comes with the risk that its blockbuster title will turn out to be a withering fad. Epic Games' newest investors could be buying into a generational phenomenon or a disappointing flop.

