Remember to compile your project with LATEX + dvipdfm via the Project Settings. Click on the Overleaf menu icon in the upper left, above the file list pane, and set 'Compiler' to 'LaTeX' to do this!

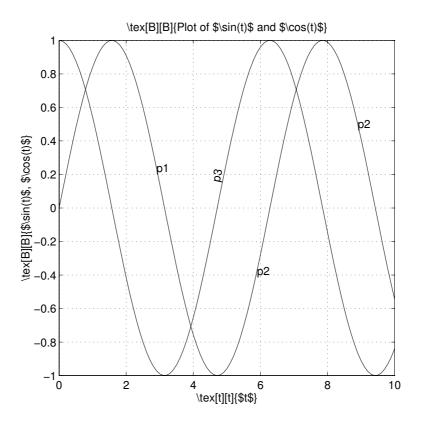


Figure 1: Original EPS image

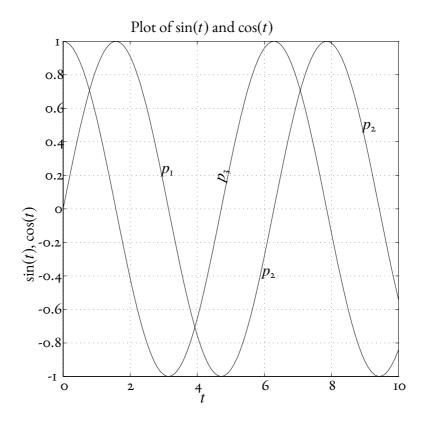


Figure 2: The same EPS image with psfrag