You will still need a `.eps` image file; there is no `pdffrag` package that works for `.pdf` files.

If you want to use the `[process=all]` option for `pstool`, add a custom `latexmkrc` file that contains this line:

```
$hash_calc_ignore_pattern{'pdf'} = '^/(CreationDate|ModDate|ID) ';
```

to avoid infinite compiling leading to a timeout on Overleaf.

Alternatively, you may want to work out all the \psfrag commands in a separate project with \usepackage{psfrag} and the LaTeX+dvipdf engine (see https://www.overleaf.com/latex/examples/psfrag-example/ tggxhgzwrzhn), and once you've finalised that, copy the code into your main project (using pdflatex) and replace with \usepackage{pstool} and \psfragfig instead.
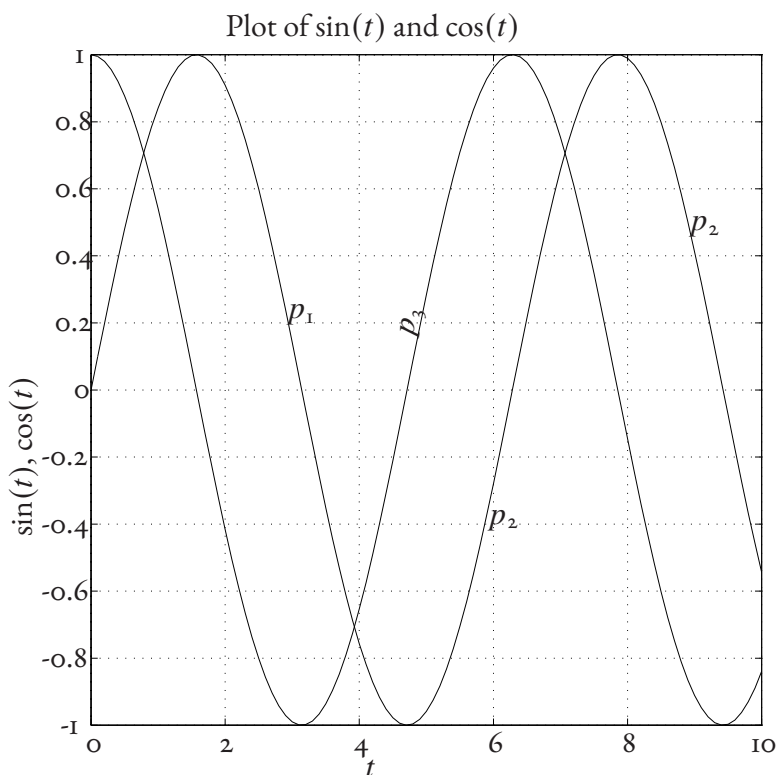

Figure 1: The same EPS image with psfragfig